Bharti Airtel | BUY

In-line results; maintain BUY on structural wireless ARPU growth story

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India wireless EBITDA was 0.5%/1% above JMFe/consensus at INR 157.5bn (up 1.9% QoQ) on robust 4G/5G net subs adds (6.6mn); ARPU was in line at INR 245, flat QoQ despite 2 less days QoQ in 4QFY25 aided by upgrades and improved subs mix. Further, strong traction in home broadband business continues led by FWA rollout, but lags Jio on subs addition; Bharti continues to shed low-margin business in the B2B segment. India business capex rose to INR 104bn in 4QFY25 due to one-off jump in capex in wireless & enterprise business; FY25 India business capex was lower at INR 303bn in FY25 (vs. INR 334bn in FY24). The management has guided for FY26 capex to be lower than FY25. Consolidated net debt (ex-Indus) was up INR 48bn QoQ due to change in accounting treatment of INR 86bn perpetual bond. We maintain BUY on Bharti (revised 1-year TP of INR 2,035 and 3-year TP of INR 2,720) 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 also to justify significant 5G capex and given Jio's potential IPO. ARPU growth aided by likely moderation in capex will drive Bharti's FCF from FY25, enabling it to get to net cash by FY29; this will also aid in accretion in equity value.

- **Consolidated EBITDA was higher at INR 274bn vs. JMFe/consensus of INR 261bn/INR 268bn due to full quarter consolidation of Indus and a tad better India wireless EBITDA:** Bharti's 4QFY25 consolidated EBITDA at INR 274bn (up 9.7% QoQ and up 40% YoY), was 5.5%/2.2% above JMFe/consensus of INR 261bn/ INR 268bn) due to full quarter consolidation of Indus in 4QFY25 (vs. 43 days of Indus consolidation) and due to India wireless EBITDA being ~0.5% above JMFe. Further, there was exceptional tax benefit of INR 59.1bn in 4QFY25, arising from the recognition of unrecognised deferred tax assets on tax losses, which further boosted its consolidated PAT in 4QFY25.

- **India wireless EBITDA 0.5%/1% above JMFe/consensus at INR 157.5bn (up 1.9% QoQ) on robust 4G/5G net subs adds (6.6mn) while APRU in line at INR 245:** India wireless revenue was a tad above JMFe at INR 266bn (+1.3% QoQ and +21% YoY). Further, India wireless EBITDA was 0.5%/1% above JMFe/consensus at INR 157.5bn (+1.9% QoQ and +30% YoY); India wireless EBITDA margin improved to 59.2% in 4QFY25 (vs. 58.8% in 3QFY25). India wireless business net subscriber rose by 5mn QoQ to 362mn (vs. JMFe of ~3.0mn net subs addition) with reported churn lower QoQ at 2.3% in 4QFY25 (vs. 2.5% in 3QFY25). 4G/5G net additions were higher than expected at 6.6mn in 4QFY25 vs. JMFe of ~6mn addition (vs. 6.5mn addition in 3QFY25); 4G/5G subscribers constitute 77% of total subscribers. Post-paid subscriber net addition (excluding IoT) continued to be strong at 0.6mn in 4QFY25 to 25.9mn (vs. 0.6mn in 3QFY25). Further, usage metrics was up 2.4% QoQ at 25.1GB/user/month in 4QFY25. India wireless ARPU was in line with JMFe and flat QoQ at INR245 despite 2 less days QoQ in 4QFY25, aided by upgrades and improved subs mix. This compares to Bharti Hexacom's ARPU, which grew 0.4% QoQ at INR 242 in 4QFY25, and Jio's 4QFY25 ARPU being up 1.4% QoQ at INR 206 (including FTTH) and ~INR 194 (excluding FTTH), aided by residual pass-through of the Jul'24

Recommendation and Price Target	
Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	2,035
Upside/(Downside)	10.9%
Previous Price Target	1,850
Change	10.0%

Key Data – BHARTI IN	
Current Market Price	INR1,834
Market cap (bn)	INR11,001.5/US$129.0
Free Float	41%
Shares in issue (mn)	5,738.5
Diluted share (mn)	5,769.6
3-mon avg daily val (mn)	INR11,835.8/US$138.8
52-week range	1,917/1,219
Sensex/Nifty	81,331/24,667
INR/US$	85.3

Price Performance			
%	1M	6M	12M
Absolute	4.4	18.3	42.8
Relative*	-1.5	12.8	28.2

* To the BSE Sensex

Financial Summary					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	15,14,178	17,45,589	20,01,109	22,44,217	25,16,619
Sales Growth (%)	8.1	15.3	14.6	12.1	12.1
EBITDA	7,97,272	9,47,329	10,43,849	11,75,603	13,24,247
EBITDA Margin (%)	52.7	54.3	52.2	52.4	52.6
Adjusted Net Profit	1,09,509	1,58,380	2,73,890	3,74,122	4,76,216
Diluted EPS (INR)	19.1	27.5	47.5	64.8	82.5
Diluted EPS Growth (%)	24.2	43.8	72.9	36.6	27.3
ROIC (%)	9.2	9.8	12.7	15.8	19.3
ROE (%)	13.7	16.2	22.1	25.2	26.5
P/E (x)	96.1	66.8	38.6	28.3	22.2
P/B (x)	12.8	9.3	7.9	6.5	5.4
EV/EBITDA (x)	16.1	13.7	12.1	10.3	8.8
Dividend Yield (%)	0.4	0.9	0.8	1.1	1.4

Source: Company data, JM Financial. Note: Valuations as of 14/May/2025 tariff hike (which majorly passed through for BHL and Bharti by 3QFY25 itself).

- Strong traction in home broadband business continues led by FWA rollout, but lags Jio on subs addition; continues to shed low-margin business in B2B segment: Bharti's home broadband EBITDA increased to INR 8.0bn in 4QFY25 (+6.6% QoQ and +21.2% YoY) with additions of 812k subscribers during the quarter aided by FWA roll-out (with 10.0mn subs at end-4QFY25), but this was below Jio's strong FTTH/FWA addition of ~1.5mn in 4QFY25. However, ARPU moderated to INR 543/month, vs. INR 554/month in 3QFY25. Enterprise business revenue was down 5.9% QoQ and down 2.7% YoY to INR 53.2bn but its EBITDA was up 12.7% QoQ and 7.3% YoY to INR 22.4bn, impacted by portfolio transformation in line with its stated strategic goal to eliminate low-margin business. However, the management shared that the underlying revenue growth was steady. Separately, its capex in the Enterprise segment jumped QoQ to INR 18.5bn in 4QFY25 (vs. INR 11.8bn in 3QFY25), led by investments made in cloud and data centre businesses in 4QFY25.

- India business capex rose to INR 104bn in 4QFY25 due to one-off jump in capex in wireless & enterprise business; consolidated net debt (ex-Indus) up INR 48bn QoQ due to change in accounting treatment of INR 86bn perpetual bond: India business capex excluding Indus rose to INR 104bn in 4QFY25 (vs. INR 68.6bn in 3QFY25) due to one-off jump in capex in wireless & enterprise business. However, FY25 India business capex was lower at INR 303bn in FY25 (vs. INR 334bn in FY24); the management guided for FY26 capex to be lower than FY25. Further, consolidated net debt at end 4QFY25, excluding lease liabilities, rose by INR 48bn to INR 1,385bn; however, this was due to change in accounting treatment as during the quarter INR 86.3bn of perpetual bond was accounted as debt as it ceased to be perpetual bond (vs. being accounted as equity earlier). Net debt-EBITDA, including lease liabilities, stands at 1.85x at end 4QFY25 (vs. 1.96x at end 3QFY25).

- Reiterate BUY with revised 1-year TP of INR 2,035 and 3-year TP of INR 2,720 (implying 14% IRR): We raised our FY26-27 Revenue/EBITDA estimates marginally, incorporating FY25 actuals. Moreover, we have rolled forward our DCF based valuations to Sep'27; hence, our TP has been revised upwards to INR 2,035 (from INR 1,850) also aided by an increase in the value of listed investments i.e. Indus and Airtel Africa (which are valued at CMP less 20% holding discount). Our TP implies 13.2x Sep'27 EV/EBITDA. Further, given the attractive long growth runway, we see Bharti delivering a 3-year IRR of 14% based on our revised 3-year TP of INR 2,720 (**Exhibit 11-12**). As detailed in our Deep-Dive note (Biggest beneficiary of structural ARPU growth story), we reiterate our BUY 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 also to justify significant 5G capex and given Jio's potential IPO. Bharti is the biggest beneficiary of higher tariffs given the sticky and premium quality of its subs. ARPU growth aided by likely moderation in capex will drive Bharti's FCF growth from FY25, enabling it to get to net cash by FY29 (vs. net debt excluding lease liability of INR 1,385bn at end-4QFY25); this will also aid in accretion in equity value.

4QFY25 concall takeaways

1) Emphasised that **industry needs further tariff repair for long-term respectable** return for sustained investments given that RoCE for industry is still very low.

Reiterated that **India's pricing structure is broken as we have one-size-fits-all tariff approach** that doesn't incentivise customer to upgrade and **telcos are forced to hike tariff for everyone in an effort to boost ARPU**; thus, restructuring of tariff structure is necessary (i.e., minimal hike in entry level tariff, while reducing data allowance on existing low-end data pack, and charging more from customers who can pay more). For example, if entry level wireless pricing in India is indexed at 100, then highest tariff plan in India will be indexed at 200-250 while it could be significantly higher at 500 in other emerging markets like Indonesia, etc.

2) On press report of Bharti requesting for AGR conversion to equity, the management said it **wanted clarity from the government on whether Bharti had the option to convert AGR dues to equity or not as it wanted a non-discriminatory approach by the government on the issue for all telcos.** Whether Bharti converts or not will be decided by its board.

3) **Re iterated that FY26 India business capex should be lower than FY25** levels (India business capex excluding Indus was INR 303bn in FY25) as rural rollout and radio capex should moderate substantially going forward. However, **fibre roll-out remains a strategic priority and there is some rise in capex in other businesses (home broadband, Enterprise, data centre). Also stated that Bharti can increase capex if it feels the business needs higher capex**. Over the medium to long term, expect capex as % of revenue to continue to moderate and align with global peers in long-run (at 15-17% of revenue as per global norms, as per earlier concall).

4) Reiterated that Bharti will step up its dividend but didn't share any dividend policy. However, the **management will have complete flexibility on use of cash in best interest of shareholders** in terms of dividend payment, or for increasing stake in Africa or Indus, or for capex in India business. The management justified its **decision to increase stake in Africa as it is growing at 2x India business growth and paying robust dividend.**

5) Will call partly paid shares only when the company needs the money; at the moment it doesn't feel the need to call the same.

6) Reiterated **transition to Standalone 5G on FWA (already been tested and can be done immediately)** as it provides superior experience. However, **will prioritise fibre wherever available as it provides superior experience; hence, FWA will always complement fibre and will focus on FWA where fibre is not available** as FWA/spectrum is a shared resource; hence, rolling out fibre in such a manner where FWA could face some capacity constraint. Will **later consider 5G SA in wireless business once 5G capacity is fully utilised**. Earlier, the company had said that for **mobile business will decide to move from NSA to SA in next may be 3-4 years depending on load in spectrum band.** Hence, it will work on a hybrid model in the next few years – SA for FWA and Enterprise segment and NSA for consumer business; in future all business will move to SA but there is no need to hurry as will need to spend INR 300bn-400bn to buy sub GHz spectrum.

7) Network cost saving of INR 22bn during FY25 due to the company's war on waste programme.

8) Bharti has around 135mn 5G subs at end-4QFY25 (vs. 120mn at end-3QFY25, 105mn at end-2QFY25, 90mn at end-1QFY25, 72mn at end-4QFY24, 65mn during 3QFY24 and 55mn during 2QFY24) **vs. 191mn for Jio at end-4QFY25**. Also said **5G mobile shipment has strengthened to 85% of total smartphone shipment. Separately said 40-45% of net adds in home business is coming from FWA; expect net adds in home business to continue growing** from 4QFY25 net adds of 812k

9) Reiterated that it is in middle of a **comprehensive re-tooling of Airtel Business portfolio by stepping up investments in digital services across Cloud, Security and IoT while shedding very low margin commodity voice and wholesale business** and it will free management bandwidth as well; this is likely to impact revenue in the near term but will have an insignificant impact on margins as this are minimal EBITDA businesses. However, the **management shared that the underlying revenue growth was steady.** Separately, it added that **jump in enterprise capex was due to investment in cloud and data centre and** as it landed two subsea cables during 4QFY25.

4QFY25 result review

Exhibit 1. Consolidated quarterly snapshot

Consolidated, INR mn	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	QoQ (%)	YoY (%)
Revenue	377,883	373,742	383,393	379,160	388,699	417,280	455,990	483,620	6.1%	27.6%
Operating costs	178,415	175,301	180,847	182,343	187,988	196,271	205,327	208,674	1.6%	14.4%
-Network costs	74,036	74,240	75,926	75,986	77,606	80,115	86,267	91,055	5.6%	19.8%
-License fees, SUC and oher revenue share	29,403	29,643	30,205	31,107	31,564	34,658	35,698	36,370	1.9%	16.9%
-Access Charges	19,972	18,144	18,568	18,501	19,084	18,211	19,636	14,782	-24.7%	-20.1%
-Employee costs	12,572	13,790	13,230	13,639	13,728	14,966	16,082	18,313	13.9%	34.3%
-SG&A and other costs	42,432	39,484	42,918	43,110	46,006	48,321	47,644	48,154	1.1%	11.7%
EBITDA	**199,468**	**198,441**	**202,546**	**196,817**	**200,711**	**221,009**	**250,663**	**274,946**	**9.7%**	**39.7%**
Depreciation & Amortization	96,538	97,343	100,743	100,752	105,401	110,000	117,042	123,260	5.3%	22.3%
EBIT	102,930	101,098	101,803	96,065	95,310	111,009	133,621	151,686	13.5%	57.9%
Associates	5,899	5,860	7,032	8,303	9,117	10,739	16,597	577		
Net interest cost	56,137	51,858	66,449	52,033	51,524	54,237	56,755	55,023		
Reported PBT	18,529	39,397	41,084	27,780	60,253	58,974	168,919	95,839		
Tax	-14,460	-16,756	-12,412	-21,268	-16,356	-20,383	-38,050	-30,214		
Reported PAT	16,125	13,407	24,422	20,716	41,599	35,932	147,812	110,218		
Reported EPS	2.84	2.36	4.27	3.61	7.21	6.21	25.54	19.02		
Tax/PBT (%)	-78%	-43%	-30%	-77%	-27%	-35%	-23%	-32%		
EBITDA margin (%)	52.8%	53.1%	52.8%	51.9%	51.6%	53.0%	55.0%	56.9%		
Incremental EBITDA margin (%)	64.6%	24.8%	42.5%	135.3%	40.8%	71.0%	76.6%	87.9%		

Source: Company, JM Financial. Note: Above financials consolidates Indus for 3QFY25 while excludes Indus for prior quarters.

Exhibit 2. India business quarterly snapshot

India Business, INR mn	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	QoQ (%)	YoY (%)
Revenue	263,747	269,947	278,107	318,515	290,461	315,607	364,024	367,345	0.9%	15.3%
Operating costs	123,292	125,342	130,282	140,790	136,309	144,271	126,068	150,818	19.6%	7.1%
-Network costs	51,953	55,668	57,206	64,832	58,281	61,083	70,232	68,364	-2.7%	5.4%
-License fees, SUC and oher revenue share	24,002	24,592	25,130	25,906	26,239	29,198	30,122	30,406	0.9%	17.4%
-Access Charges	14,464	14,294	14,799	15,477	16,012	15,187	16,469	11,529	-30.0%	-25.5%
-Employee costs	6,473	7,150	6,851	9,549	7,721	8,468	10,589	11,870	12.1%	24.3%
-SG&A and other costs	26,400	23,638	26,296	25,026	28,056	30,335	-1,344	28,649	NM	14.5%
EBITDA	140,455	144,605	147,825	177,725	154,152	171,336	237,956	216,527	-9.0%	21.8%
Depreciation & Amortization	78,067	80,705	83,789	95,402	89,386	93,843	102,506	103,343	0.8%	8.3%
EBIT	62,388	63,900	64,036	82,323	64,766	77,493	135,450	113,184	-16.4%	37.5%
Associates	5,899	5,860	7,032	8,303	9,117	10,739	0	0		
Net interest cost	21,797	21,524	9,348	32,146	27,570	23,778	32,401	33,274		
Reported PBT	34,439	39,390	40,831	50,929	38,312	55,163	105,922	80,872		
Tax	-7,827	-8,231	-9,443	-14,851	-9,257	-12,546	-29,395	-22,674		
Reported PAT	24,148	28,781	29,020	25,512	26,814	40,138	55,443	48,037		
Reported EPS	4.25	5.07	5.07	4.45	4.65	6.94	9.58	8.29		
Tax/PBT (%)	-23%	-21%	-23%	-29%	-24%	-23%	-28%	-28%		
EBITDA margin (%)	53.3%	53.6%	53.2%	55.8%	53.1%	54.3%	65.4%	58.9%		
Incremental EBITDA margin (%)	65.4%	66.9%	39.5%	74.0%	84.0%	68.3%	137.6%	-645.3%		

Source: Company, JM Financial. Note: Above financials consolidates Indus for 3QFY25 while excludes Indus for prior quarters.

Exhibit 3. Segment-wise capex break-up

Particulars	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	QoQ (%)	YoY (%)
Capex (INR Bn)										
India Wireless	78.3	56.9	57.5	60.1	48.5	39.9	43.5	60.4	38.7%	0.5%
Home Services (Broadband)	5.0	7.6	7.8	8.2	7.1	9.5	11.4	15.2	33.0%	86.0%
Telemedia (DTH)	3.8	3.8	3.7	3.1	4.1	4.3	4.6	3.7	-20.1%	20.3%
Enterprise Business	6.1	9.6	8.6	13.6	8.2	9.0	9.1	24.9	173.6%	83.0%
India Business Capex (ex Indus)	**93.3**	**77.8**	**77.6**	**84.9**	**67.8**	**62.6**	**68.6**	**104.1**	51.7%	22.6%
Airtel Africa	11.5	14.2	15.1	20.2	12.3	14.2	11.8	18.5	56.5%	-8.5%
Consolidated Capex (ex Indus)	**104.9**	**92.1**	**92.7**	**105.2**	**80.1**	**76.7**	**80.5**	**122.6**	52.4%	16.6%
Capex Intensity (i.e. Capex as % of Revenue)										
India Wireless	38.4%	27.1%	26.6%	27.2%	21.5%	16.1%	16.6%	22.7%		
Home Services (Broadband)	43.0%	62.0%	61.5%	62.0%	51.7%	66.1%	75.6%	95.0%		
Telemedia (DTH)	51.9%	50.0%	47.4%	39.9%	52.5%	56.1%	60.8%	48.3%		
Enterprise Business	12.1%	18.8%	16.5%	24.9%	14.9%	15.9%	16.1%	46.8%		
India Business Capex (ex Indus)	**35.4%**	**28.8%**	**27.9%**	**26.7%**	**23.3%**	**19.8%**	**18.9%**	**28.3%**		
Airtel Africa	10.2%	13.8%	14.7%	21.7%	12.7%	13.9%	11.0%	16.2%		
Consolidated Capex (ex Indus)	**27.7%**	**24.6%**	**24.2%**	**27.7%**	**20.6%**	**18.4%**	**17.6%**	**25.3%**		

Source: Company, JM Financial.

Exhibit 4. Net debt (excluding lease liability) rose by INR 48bn to INR 1,385bn in 4QFY25 at consolidated level (including Indus)

Particulars (INR bn)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	QoQ (%)	YoY (%)
Long term debt, net of current portion	395	333	356	291	204	204	208	202	-3.0%	-30.5%
Short-term borrowings and current portion of long-term debt	128	162	184	232	276	323	265	376	41.7%	62.0%
Deferred payment liability	1,138	1,084	1,095	1,040	968	977	944	906	-4.1%	-12.8%
Gross debt excluding Lease Obligations	**1,660**	**1,578**	**1,635**	**1,563**	**1,447**	**1,504**	**1,418**	**1,484**	4.7%	-5.0%
Less: Cash and Cash Equivalents	59	44	55	76	54	48	60	61	1.4%	-20.2%
Less: Investments & Receivables	113	60	111	34	19	9	21	38	80.8%	11.8%
Net Debt excluding Lease Obligations	**1,488**	**1,475**	**1,469**	**1,452**	**1,375**	**1,447**	**1,337**	**1,385**	3.6%	-4.6%
Lease Obligation	589	596	455	492	501	609	629	653	3.8%	32.9%
Net Debt including Lease Obligations	**2,077**	**2,070**	**1,925**	**1,944**	**1,876**	**2,056**	**1,966**	**2,038**	3.7%	4.9%
Net Debt (incl Lease liability) to EBITDA (x)	**2.60**	**2.61**	**2.38**	**2.47**	**2.34**	**2.33**	**1.96**	**1.85**		
Consolidated Capex (ex Indus)	**105**	**92**	**93**	**105**	**80**	**77**	**80**	**123**	52.4%	16.6%

Source: Company, JM Financial. Note: Above data includes Indus since 3QFY24 while excludes Indus for prior quarters.

Exhibit 5. Bharti Airtel segmental snapshot

	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	QoQ (%)	YoY (%)
India wireless										
Revenue (INR mn)	203,924	209,521	216,386	220,657	225,274	248,371	262,687	266,168	1.3%	20.6%
Post IND AS EBITDA (INR mn)	111,665	115,039	119,240	121,607	125,274	141,710	154,568	157,535	1.9%	29.5%
Post IND AS EBITDA margin (%)	54.8	54.9	55.1	55.1	55.6	57.1	58.8	59.2	35bps	407bps
Incremental Post IND AS EBITDA margin (%)	76.4	60.3	61.2	55.4	79.4	71.2	89.8	85.2		
EoP Subscribers (mn)	339	342	346	352	355	352	357	362	1.4%	2.7%
Net subscriber addition (mn)	3.2	3.7	3.3	6.7	2.3	-2.9	4.9	5.0		
EoP Post-paid subscribers (excluding IoT) (mn)	20.5	21.5	22.3	23.1	23.9	24.7	25.3	25.9	2.5%	12.1%
Net post-paid subscriber (excluding IoT) addition (mn)	0.8	1.0	0.9	0.8	0.8	0.8	0.6	0.6		
Postpaid subscribers (excluding IoT) as % of total subs	6.1%	6.3%	6.5%	6.6%	6.7%	7.0%	7.1%	7.2%		
EoP 4G/5G subscribers (mn)	230	237	245	253	259	264	270	277	2.5%	9.5%
Net 4G/5G subscriber addition (mn)	5.6	7.7	7.4	7.8	6.7	4.2	6.5	6.6		
4G/5G subs as % of total subs	68%	69%	71%	72%	73%	75%	76%	77%		
EoP 5G subscribers (mn)		55	65	72	90	105	120	135		
5G subs as % of 4G/5G subs		23%	27%	28%	35%	40%	44%	49%		
EoP Total Data subscribers (mn)	238	246	253	261	267	271	278	281		
Net Data subscriber addition (mn)	5.5	7.7	7.3	7.7	6.3	4.0	6.4	3.6		
Data subs as % of total subs	70%	72%	73%	74%	75%	77%	78%	78%		
AMDU (GB/month)	21.1	21.7	22.0	22.6	23.7	23.9	24.5	25.1	2.4%	11.1%
ARPU (INR/month)	200	203	208	209	211	233	245	245	0.0%	17.2%
Total subscriber Churn	2.8%	2.9%	2.9%	2.4%	2.8%	3.2%	2.5%	2.3%		
Implied Gross subscriber addition (mn)	31.5	33.4	33.2	31.8	31.9	31.0	31.5	29.8		
Mobile service population coverage	96.0%	96.0%	96.1%	96.1%	96.2%	96.2%	96.3%	97.0%		
Network towers (#)	284,221	295,318	307,663	318,171	324,498	329,543	334,757	338,029	1.0%	6.2%
Network towers additions QoQ (#)	9,152	11,097	12,345	10,508	6,327	5,045	5,214	3,272		
Total Mobile Broadband Base stations (#)	852,650	876,096	905,556	931,854	947,377	962,565	978,832	992,465	1.4%	6.5%
Optic Fibre Network (R km)	403,708	415,903	430,412	444,708	453,744	463,551	477,505	489,098	2.4%	10.0%
Home Services (Broadband)										
Revenue (INR mn)	11,621	12,207	12,718	13,155	13,670	14,321	15,092	15,961	5.8%	21.3%
EBITDA (INR mn)	5,860	6,073	6,384	6,566	6,867	7,203	7,465	7,957	6.6%	21.2%
EBITDA margin (%)	50.4	49.8	50.2	49.9	50.2	50.3	49.5	49.9	39bps	-6bps
Subscribers (mn)	6.46	6.93	7.29	7.62	7.97	8.55	9.23	10.04	8.8%	31.7%
ARPU (INR/month)	608	595	583	577	572	566	554	543	-2.0%	-5.9%
Cities covered (#)	1,225	1,239	1,267	1,290	1,317	1,345	1,427	1,476		
Telemedia (DTH)										
Revenue (INR mn)	7,403	7,515	7,837	7,693	7,771	7,586	7,607	7,644	0.5%	-0.6%
EBITDA (INR mn)	4,264	4,212	4,285	4,391	4,402	4,243	4,425	3,849	-13.0%	-12.3%
EBITDA margin (%)	57.6	56.0	54.7	57.1	56.6	55.9	58.2	50.4	-782bps	-672bps
Subscribers (mn)	15.9	15.7	16.1	16.1	16.3	15.8	15.8	15.9	0.5%	-1.5%
ARPU (INR/month)	154	159	163	160	159	158	160	162	1.3%	1.3%
Enterprise Business										
Revenue (INR mn)	50,545	51,100	51,948	54,616	54,765	56,555	56,460	53,155	-5.9%	-2.7%
EBITDA (INR mn)	19,979	20,578	20,625	20,830	19,855	20,208	19,846	22,359	12.7%	7.3%
EBITDA margin (%)	39.5	40.3	39.7	38.1	36.3	35.7	35.2	42.1	691bps	392bps
EoP Post-paid IoT/M2M connections (mn)	20	22	26	28	28	28	30	35	15.7%	23.7%
Net Post-paid IoT/M2M connection addition (mn)	3.9	2.5	3.5	2.2	0.1	0.2	1.7	4.7		
Airtel Africa										
Revenue (INR mn)	113,168	102,768	102,972	92,933	96,369	101,631	107,032	113,763	6.3%	22.4%
EBITDA (INR mn)	56,031	51,158	50,590	43,237	43,617	47,259	50,295	53,807	7.0%	24.4%
EBITDA margin (%)	49.5	49.8	49.1	46.5	45.3	46.5	47.0	47.3	31bps	77bps
Consolidated										
Revenue (INR mn)	377,883	373,742	383,393	379,160	388,699	417,280	455,990	483,620	6.1%	27.6%
EBITDA (INR mn)	199,468	198,441	202,546	196,817	200,711	221,009	250,663	274,946	9.7%	39.7%
EBITDA margin (%)	52.8	53.1	52.8	51.9	51.6	53.0	55.0	56.9	188bps	494bps

Source: Company, JM Financial. The previous year numbers are as per reported including IUC, hence YoY ARPU and revenue numbers are not comparable for India wireless. Note: Above consolidated financials includes Indus for 3QFY25 while excludes Indus for prior quarters.

Assumptions and Estimates

Exhibit 6. Bharti Airtel – Key operational assumptions

Particulars	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E	FY30E
India wireless										
India ARPU (INR)	154	160	189	204	232	257	283	312	337	365
YoY Growth (%)	13.8%	3.7%	18.4%	8.0%	13.7%	10.7%	10.2%	10.2%	8.1%	8.1%
India subs EoP (mn)	321	326	335	352	362	367	372	377	382	388
YoY Growth (%)	13.3%	1.5%	2.9%	5.0%	2.7%	1.6%	1.3%	1.2%	1.5%	1.5%
India data subs (mn)	189	208	233	261	281	295	308	321	330	339
Data subs as % of total subs	59%	64%	69%	74%	78%	80%	83%	85%	86%	87%
Data usage per sub (GB)	16.1	19.0	20.5	22.3	25.0	25.7	26.2	26.8	27.3	27.9
Minutes of usage per sub (MoU)	992	1,056	1,096	1,131	1,140	1,182	1,226	1,272	1,319	1,368
India Home Services/Broadband										
Fixed line subscribers (mn)	3.1	4.5	6.0	7.6	10.0	11.6	13.2	14.9	17.0	19.2
Fixed line ARPU (INR)	740	661	628	594	547	556	567	578	590	601
India DTH										
DTH subscribers (mn)	18	16	16	16	16	16	16	16	16	16
DTH ARPU (INR)	148	156	154	158	159	159	159	159	159	159
Airtel Africa										
Africa ARPU (INR)	210	237	262	235	219	236	255	279	303	332
Africa subs (mn)	118	128	140	153	166	170	173	177	180	183

Source: Company, JM Financial.

Exhibit 7. Revenue breakup for Bharti Airtel consolidated

Particulars	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E	FY30E
Revenues (INR mn)										
India wireless	555,676	630,405	759,246	850,488	1,002,500	1,132,413	1,264,283	1,408,737	1,542,166	1,690,715
Home services/Broadband	23,342	30,391	40,473	49,701	59,044	71,860	84,125	97,317	112,710	130,621
DTH	30,561	31,538	29,450	30,448	30,608	30,490	30,667	30,756	30,800	30,823
Airtel Business	144,075	160,703	185,931	208,209	220,935	254,075	292,187	336,015	362,896	391,927
Tower										
Others										
Africa	288,632	350,613	422,665	411,841	418,795	475,049	526,160	585,737	647,987	722,388
South Asia	4,247	3,869	2,945	3,773	941					
Eliminations	-53,037	-36,707	-39,896	-40,282	12,766	37,221	46,795	58,058	69,651	83,031
Total	**1,027,513**	**1,170,812**	**1,400,814**	**1,514,178**	**1,745,589**	**2,001,109**	**2,244,217**	**2,516,619**	**2,766,211**	**3,049,504**
Revenue proportion (%)										
India wireless	54.1%	53.8%	54.2%	56.2%	57.4%	56.6%	56.3%	56.0%	55.8%	55.4%
Home services/Broadband	2.3%	2.6%	2.9%	3.3%	3.4%	3.6%	3.7%	3.9%	4.1%	4.3%
DTH	3.0%	2.7%	2.1%	2.0%	1.8%	1.5%	1.4%	1.2%	1.1%	1.0%
Airtel Business	14.0%	13.7%	13.3%	13.8%	12.7%	12.7%	13.0%	13.4%	13.1%	12.9%
Tower										
Others										
Africa	28.1%	29.9%	30.2%	27.2%	24.0%	23.7%	23.4%	23.3%	23.4%	23.7%
South Asia	0.4%	0.3%	0.2%	0.2%	0.1%					
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Revenue growth (%)										
India wireless	20.9%	13.4%	20.4%	12.0%	17.9%	13.0%	11.6%	11.4%	9.5%	9.6%
Home services/Broadband	4.0%	30.2%	33.2%	22.8%	18.8%	21.7%	17.1%	15.7%	15.8%	15.9%
DTH	4.5%	3.2%	-6.6%	3.4%	0.5%	-0.4%	0.6%	0.3%	0.1%	0.1%
Airtel Business	8.9%	11.5%	15.7%	12.0%	6.1%	15.0%	15.0%	15.0%	8.0%	8.0%
Tower										
Others										
Africa	19.2%	21.5%	20.6%	-2.6%	1.7%	13.4%	10.8%	11.3%	10.6%	11.5%
South Asia	-6.7%	-8.9%	-23.9%	28.1%	-75.1%					
Total	**16%**	**14%**	**20%**	**8%**	**15%**	**15%**	**12%**	**12%**	**10%**	**10%**

Source: Company, JM Financial. * The company stopped the 'others' classification from FY20 **Indus Towers has been de-consolidated post the merger from 3QFY21 ***South Asia business has been de-consolidated since 2QFY25 after sale of stake in Airtel Lanka **** Consolidated financials are pre Indus consolidation since FY21

Exhibit 8. EBITDA breakup for Bharti Airtel consolidated

Particulars	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E	FY30E
EBITDA (INR mn)										
India wireless	242,642	312,666	400,751	467,551	579,087	661,866	745,460	838,504	927,722	1,027,866
Home services/Broadband	13,434	16,030	20,494	24,883	29,492	36,662	43,661	51,290	60,264	70,793
DTH	20,788	21,006	17,344	17,152	16,919	16,858	16,949	16,995	17,017	17,029
Airtel Business	54,973	62,639	73,821	82,012	82,268	98,824	117,753	139,959	151,787	164,561
Tower										
Others										
Africa	132,995	172,092	207,244	200,860	195,012	236,722	263,644	295,146	328,546	368,527
South Asia	131	-621	-518	-648	-166					
Eliminations/Adjustment	7,010	-3,130	2,965	5,462	44,717	-7,084	-11,864	-17,646	-27,425	-39,748
Total	**471,973**	**580,682**	**722,101**	**797,272**	**947,329**	**1,043,849**	**1,175,603**	**1,324,247**	**1,457,912**	**1,609,029**
EBITDA proportion (%)										
India wireless	51.4%	53.8%	55.5%	58.6%	61.1%	63.4%	63.4%	63.3%	63.6%	63.9%
Home services/Broadband	2.8%	2.8%	2.8%	3.1%	3.1%	3.5%	3.7%	3.9%	4.1%	4.4%
DTH	4.4%	3.6%	2.4%	2.2%	1.8%	1.6%	1.4%	1.3%	1.2%	1.1%
Airtel Business	11.6%	10.8%	10.2%	10.3%	8.7%	9.5%	10.0%	10.6%	10.4%	10.2%
Tower										
Others										
Africa	28.2%	29.6%	28.7%	25.2%	20.6%	22.7%	22.4%	22.3%	22.5%	22.9%
South Asia	0.0%	-0.1%	-0.1%	-0.1%	0.0%					
EBITDA margins										
India wireless	43.7%	49.6%	52.8%	55.0%	57.8%	58.4%	59.0%	59.5%	60.2%	60.8%
Home services/Broadband	57.6%	52.7%	50.6%	50.1%	49.9%	51.0%	51.9%	52.7%	53.5%	54.2%
DTH	68.0%	66.6%	58.9%	56.3%	55.3%	55.3%	55.3%	55.3%	55.3%	55.2%
Airtel Business	38.2%	39.0%	39.7%	39.4%	37.2%	38.9%	40.3%	41.7%	41.8%	42.0%
Tower										
Others										
Africa	46.1%	49.1%	49.0%	48.8%	46.6%	49.8%	50.1%	50.4%	50.7%	51.0%
South Asia	3.1%	-16.1%	-17.6%	-17.2%	-17.6%					
Total	**45.9%**	**49.6%**	**51.5%**	**52.7%**	**54.3%**	**52.2%**	**52.4%**	**52.6%**	**52.7%**	**52.8%**

Source: Company, JM Financial. * The company stopped the 'others' classification from FY20 **Indus Towers has been de-consolidated post the merger from 3QFY21 ***South Asia business has been de-consolidated since 2QFY25 after sale of stake in Airtel Lanka **** Consolidated financials are pre Indus consolidation since FY21

Exhibit 9. Capex breakdown for Bharti Airtel consolidated

Particulars	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E	FY30E
Capex (INR mn)										
India wireless (ex-spectrum)	146,763	145,262	204,802	252,727	192,263	186,848	195,964	218,354	239,036	253,607
Home services/Broadband	11,010	16,654	21,992	28,538	43,104	32,337	35,333	37,954	40,576	43,105
DTH	12,842	13,028	13,602	14,386	16,652	12,196	12,267	12,302	12,320	12,329
Airtel Business	21,955	30,119	40,171	37,876	51,123	38,111	40,906	47,042	50,805	54,870
Africa	45,429	67,062	60,391	60,988	56,731	66,507	73,662	82,003	90,718	101,134
South Asia	3,686	3,292	978	268	4					
Total (ex-spectrum)	**428,675**	**275,418**	**341,936**	**394,783**	**359,877**	**335,999**	**358,132**	**397,655**	**433,455**	**465,045**
Capex intensity (Capex/Revenue)										
India wireless	26.4%	23.0%	27.0%	29.7%	19.2%	16.5%	15.5%	15.5%	15.5%	15.0%
Home services/Broadband	47.2%	54.8%	54.3%	57.4%	73.0%	45.0%	42.0%	39.0%	36.0%	33.0%
DTH	42.0%	41.3%	46.2%	47.2%	54.4%	40.0%	40.0%	40.0%	40.0%	40.0%
Airtel Business	15.2%	18.7%	21.6%	18.2%	23.1%	15.0%	14.0%	14.0%	14.0%	14.0%
Africa	15.7%	19.1%	14.3%	14.8%	13.5%	14.0%	14.0%	14.0%	14.0%	14.0%
South Asia	86.8%	85.1%	33.2%	7.1%	0.4%					
Total	**41.7%**	**23.5%**	**24.4%**	**26.1%**	**20.6%**	**16.8%**	**16.0%**	**15.8%**	**15.7%**	**15.2%**
Capex proportion (%)										
India wireless	34.2%	52.7%	59.9%	64.0%	53.4%	55.6%	54.7%	54.9%	55.1%	54.5%
Home services/Broadband	2.6%	6.0%	6.4%	7.2%	12.0%	9.6%	9.9%	9.5%	9.4%	9.3%
DTH	3.0%	4.7%	4.0%	3.6%	4.6%	3.6%	3.4%	3.1%	2.8%	2.7%
Airtel Business	5.1%	10.9%	11.7%	9.6%	14.2%	11.3%	11.4%	11.8%	11.7%	11.8%
Africa	10.6%	24.3%	17.7%	15.4%	15.8%	19.8%	20.6%	20.6%	20.9%	21.7%
South Asia	0.9%	1.2%	0.3%	0.1%	0.0%					
Total	**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 ***South Asia business has been de-consolidated since 2QFY25 after sale of stake in Airtel Lanka Note that the capex includes spectrum capex as well. **** Consolidated financials are pre Indus consolidation since FY21

Exhibit 10. Change in estimates

	New	Old	Divergence
TP (INR)	2,035	1,850	10.0%
Rating	BUY	BUY	
Revenue (INR bn)			
FY26	2,001	1,992	0.5%
FY27	2,244	2,238	0.3%
EBITDA (INR bn)			
FY26	1,044	1,041	0.3%
FY27	1,176	1,174	0.2%
PAT (INR bn)			
FY26	290	289	0.2%
FY27	390	388	0.5%
EPS (INR)			
FY26	50	50	0.2%
FY27	68	67	0.5%

Source: JM Financial

Valuation

Exhibit 11. Bharti Airtel – 1-year SoTP DCF valuation of INR 2,035/share

Particulars, Enterprise Values unless mentioned	Valuation (INR bn)	Valuation (INR / share)	Sep'27 EV/EBITDA	Implied Sep'27 PE
India business				
Wireless	9,843	1715	13.2	
Enterprise	1,192	208	10.1	
DTH	4	1	0.3	
Broadband	657	114	15.0	
Total India business EV	**11,696**	**2,038**	**12.7**	
India net debt	-764	-141		
Total India subsidiary Equity value	**10,932**	**1,897**		
Indus Towers Equity value (50% share of Bharti, at CMP less 20% holdco discount)	426	74		
Total India business Equity value including Indus Towers	**11,358**	**1,971**		
Africa business (for Airtel's 62.33% share)				
Africa Equity value (At CMP of Africa less 20% holding discount)	363	63		
Total Equity value for Bharti Airtel	**11,721**	**2,035**	**11.1**	**30.1**

Source: Company, JM Financial.

Exhibit 12. Bharti Airtel – 3-year SoTP DCF valuation of INR 2,720/share, implying 14% IRR

Particulars, Enterprise Values unless mentioned	Valuation (INR bn)	Valuation (INR / share)	Sep'29 EV/EBITDA	Implied Sep'29 PE
India business				
Wireless	11,701	2,039	12.6	
Enterprise	1,348	235	8.9	
DTH	4	1	0.3	
Broadband	809	141	13.4	
Total India business EV	**13,862**	**2,416**	**12.0**	
India net debt	971	168		
Total India subsidiary Equity value	**14,834**	**2,582**		
Indus Towers Equity value (50% share of Bharti)	**426**	**75**		
Total India business Equity value including Indus Towers	**15,259**	**2,657**		
Africa business (for Airtel's 57.09% share)				
Africa Equity value (At CMP of Africa less 20% holding discount)	**363**	**63**		
Total Equity value for Bharti Airtel	**15,623**	**2,720**	**9.8**	**26.0**

Source: Company, JM Financial.

Bharti's EBITDA and valuation sensitivity to ARPU

Every increase/decrease in ARPU by INR 10 results in increase/decrease in Bharti's consolidated FY27 EBITDA by ~1.6% and valuation by INR 39/share.

Similarly, every increase/decrease in subscribers by 10mn results in increase/decrease in Bharti's consolidated FY27 EBITDA by ~2.1% and valuation by INR 34/share.

Exhibit 13. Bharti - Sensitivity of FY27 consolidated EBITDA (INR 1,176bn in base case) & Valuation (INR 2,035/share in base case) to FY27E ARPU and subscriber base (mn)

FY27 consolidated EBITDA (INR Bn) sensitivity

		Subscriber base (mn)						
		342	352	362	372	382	392	402
ARPU (INR)	253	1,049	1,072	1,095	1,118	1,141	1,164	1,187
	263	1,066	1,090	1,114	1,137	1,161	1,185	1,208
	273	1,083	1,108	1,132	1,156	1,181	1,205	1,229
	283	1,101	1,126	1,151	1,176	1,201	1,226	1,251
	293	1,118	1,143	1,169	1,195	1,220	1,246	1,272
	303	1,135	1,161	1,188	1,214	1,240	1,267	1,293
	313	1,152	1,179	1,206	1,233	1,260	1,287	1,314

Valuation per share (INR/share) sensitivity

		Subscriber base (mn)						
		342	352	362	372	382	392	402
ARPU (INR)	253	1,822	1,854	1,886	1,918	1,950	1,982	2,014
	263	1,858	1,891	1,924	1,957	1,990	2,022	2,055
	273	1,895	1,928	1,962	1,996	2,029	2,063	2,097
	283	1,931	1,966	2,000	2,035	2,069	2,104	2,138
	293	1,967	2,003	2,038	2,073	2,109	2,144	2,179
	303	2,004	2,040	2,076	2,112	2,148	2,185	2,221
	313	2,040	2,077	2,114	2,151	2,188	2,225	2,262

Source: JM Financial

Financial Tables (Consolidated)

Income Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	15,14,178	17,45,589	20,01,109	22,44,217	25,16,619
Sales Growth	8.1%	15.3%	14.6%	12.1%	12.1%
Other Operating Income	0	0	0	0	0
Total Revenue	**15,14,178**	**17,45,589**	**20,01,109**	**22,44,217**	**25,16,619**
Cost of Goods Sold/Op. Exp	4,95,731	5,45,046	6,70,898	7,50,637	8,38,466
Personnel Cost	53,231	63,089	71,320	79,297	88,247
Other Expenses	1,67,944	1,90,125	2,15,042	2,38,681	2,65,659
EBITDA	**7,97,272**	**9,47,329**	**10,43,849**	**11,75,603**	**13,24,247**
EBITDA Margin	52.7%	54.3%	52.2%	52.4%	52.6%
EBITDA Growth	10.4%	18.8%	10.2%	12.6%	12.6%
Depn. & Amort.	3,95,376	4,55,703	4,45,897	4,68,806	4,94,565
EBIT	4,01,896	4,91,626	5,97,952	7,06,797	8,29,682
Other Income	10,929	7,790	2,269	3,314	3,314
Finance Cost	1,88,270	2,09,409	2,01,769	1,78,073	1,64,534
PBT before Excep. & Forex	2,24,555	2,90,007	3,98,452	5,32,038	6,68,461
Excep. & Forex Inc./Loss(-)	-38,526	-8,381	0	0	0
PBT	1,86,029	2,81,626	3,98,452	5,32,038	6,68,461
Taxes	64,896	1,05,003	1,09,895	1,44,910	1,83,474
Extraordinary Inc./Loss(-)	-79,845	72,678	-16,021	-16,021	-16,021
Assoc. Profit/Min. Int.(-)	65,812	92,303	85,879	87,541	91,774
Reported Net Profit	29,664	2,31,058	2,57,869	3,58,101	4,60,195
Adjusted Net Profit	**1,09,509**	**1,58,380**	**2,73,890**	**3,74,122**	**4,76,216**
Net Margin	7.2%	9.1%	13.7%	16.7%	18.9%
Diluted Share Cap. (mn)	5,738.5	5,769.6	5,769.6	5,769.6	5,769.6
Diluted EPS (INR)	**19.1**	**27.5**	**47.5**	**64.8**	**82.5**
Diluted EPS Growth	24.2%	43.8%	72.9%	36.6%	27.3%
Total Dividend + Tax	55,254	1,11,107	98,035	1,34,276	1,72,377
Dividend Per Share (INR)	8.0	16.0	14.1	19.3	24.8

Source: Company, JM Financial

Balance Sheet (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	8,20,188	11,36,719	13,45,177	16,23,756	19,72,773
Share Capital	57,385	57,696	57,696	57,696	57,696
Reserves & Surplus	7,62,803	10,79,023	12,87,481	15,66,060	19,15,077
Preference Share Capital	0	0	0	0	0
Minority Interest	2,35,451	3,97,958	3,81,937	3,65,916	3,49,895
Total Loans	21,55,923	21,36,421	18,08,460	14,07,575	9,47,128
Def. Tax Liab. / Assets (-)	0	0	0	0	0
Total - Equity & Liab.	**32,11,562**	**36,71,098**	**35,35,574**	**33,97,247**	**32,69,796**
Net Fixed Assets	32,02,072	39,94,671	38,84,774	37,74,100	36,77,190
Gross Fixed Assets	0	0	0	0	0
Intangible Assets	14,87,507	18,53,570	17,46,961	16,38,547	15,28,287
Less: Depn. & Amort.	0	0	0	0	0
Capital WIP	0	0	0	0	0
Investments	3,44,450	98,850	98,850	98,850	98,850
Current Assets	8,98,788	10,50,083	11,21,550	11,49,574	11,80,910
Inventories	0	0	0	0	0
Sundry Debtors	1,65,955	2,19,165	2,35,667	2,63,691	2,95,027
Cash & Bank Balances	69,155	61,056	1,16,021	1,16,021	1,16,021
Loans & Advances	0	0	0	0	0
Other Current Assets	6,63,678	7,69,862	7,69,862	7,69,862	7,69,862
Current Liab. & Prov.	12,33,748	14,72,506	15,69,599	16,25,276	16,87,155
Current Liabilities	5,05,421	5,80,723	6,77,816	7,33,493	7,95,372
Provisions & Others	7,28,327	8,91,783	8,91,783	8,91,783	8,91,783
Net Current Assets	-3,34,960	-4,22,423	-4,48,049	-4,75,703	-5,06,244
Total – Assets	**32,11,562**	**36,71,098**	**35,35,574**	**33,97,247**	**32,69,796**

Source: Company, JM Financial

Cash Flow Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	2,13,123	3,18,656	4,34,058	5,69,305	7,09,963
Depn. & Amort.	3,95,376	4,55,703	4,45,897	4,68,806	4,94,565
Net Interest Exp. / Inc. (-)	-79,845	72,678	-16,021	-16,021	-16,021
Inc (-) / Dec in WCap.	85,849	92,442	80,591	27,653	30,542
Others	0	0	0	0	0
Taxes Paid	-64,896	-1,05,003	-1,09,895	-1,44,910	-1,83,474
Operating Cash Flow	**5,49,607**	**8,34,476**	**8,34,630**	**9,04,833**	**10,35,575**
Capex	-3,29,256	-12,48,302	-3,35,999	-3,58,132	-3,97,655
Free Cash Flow	2,20,351	-4,13,826	4,98,630	5,46,701	6,37,919
Inc (-) / Dec in Investments	-32,444	2,59,437	0	0	0
Others	-9,080	-26,915	0	0	0
Investing Cash Flow	**-3,70,780**	**-10,15,780**	**-3,35,999**	**-3,58,132**	**-3,97,655**
Inc / Dec (-) in Capital	0	0	0	0	0
Dividend + Tax thereon	14,895	85,473	-49,410	-79,522	-1,11,178
Inc / Dec (-) in Loans	-1,04,280	-19,502	-3,27,961	-4,00,885	-4,60,448
Others	-92,081	1,07,234	-66,294	-66,294	-66,294
Financing Cash Flow	**-1,81,466**	**1,73,205**	**-4,43,665**	**-5,46,701**	**-6,37,919**
Inc / Dec (-) in Cash	**-2,639**	**-8,099**	**54,965**	**0**	**0**
Opening Cash Balance	71,794	69,155	61,056	1,16,021	1,16,021
Closing Cash Balance	69,155	61,056	1,16,021	1,16,021	1,16,021

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	7.2%	9.1%	13.7%	16.7%	18.9%
Asset Turnover (x)	0.4	0.5	0.5	0.6	0.7
Leverage Factor (x)	4.3	3.7	3.1	2.5	2.0
RoE	13.7%	16.2%	22.1%	25.2%	26.5%

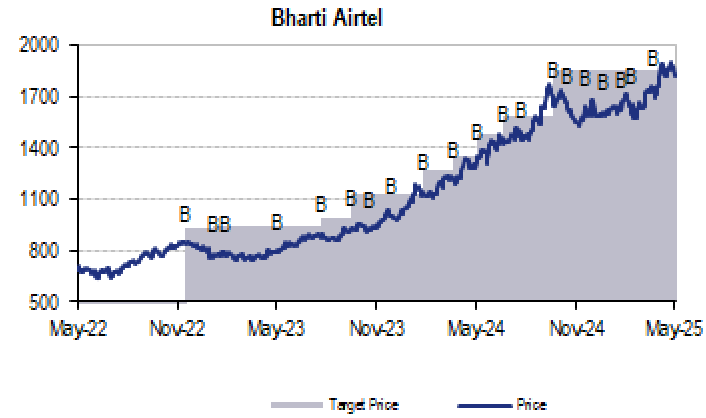
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	142.9	197.0	233.1	281.4	341.9
ROIC	9.2%	9.8%	12.7%	15.8%	19.3%
ROE	13.7%	16.2%	22.1%	25.2%	26.5%
Net Debt/Equity (x)	2.5	1.8	1.2	0.8	0.4
P/E (x)	96.1	66.8	38.6	28.3	22.2
P/B (x)	12.8	9.3	7.9	6.5	5.4
EV/EBITDA (x)	16.1	13.7	12.1	10.3	8.8
EV/Sales (x)	8.5	7.4	6.3	5.4	4.6
Debtor days	40	46	43	43	43
Inventory days	0	0	0	0	0
Creditor days	179	174	183	183	183

Source: Company, JM Financial

History of Earnings Estimate and Target Price

Date	Recommendation	Target Price	% Chg.
29-Nov-22	Buy	930	
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
12-Dec-23	Buy	1,125	0.0
6-Feb-24	Buy	1,265	12.5
4-Apr-24	Buy	1,350	6.7
15-May-24	Buy	1,480	9.6
4-Jul-24	Buy	1,580	6.7
6-Aug-24	Buy	1,580	0.0
3-Oct-24	Buy	1,850	17.1
29-Oct-24	Buy	1,850	0.0
29-Nov-24	Buy	1,850	0.0
3-Jan-25	Buy	1,850	0.0
6-Feb-25	Buy	1,850	0.0
23-Feb-25	Buy	1,850	0.0
4-Apr-25	Buy	1,850	0.0

Recommendation History



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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