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Exhibit 1: PL Universe

Companies	Rating	CMP (Rs)	TP (Rs)
Bharti Airtel	Acc	1,599	1,783

Source: PL Acc=Accumulate

Steady growth anticipated

Q3FY25 revenue and EBITDA of telecom companies in our coverage universe (Jio (unrated) + Bharti) are expected to increase by 5% and 6% QoQ to Rs730.9bn and Rs389.5bn, respectively, led by tariff hikes, although subscriber growth is likely to be muted. We maintain our positive stance on the telecom sector given the much needed tariff hikes undertaken by the sector. Maintain 'Accumulate' rating on Bharti with SOTP-based TP of Rs1,783 valuing the India mobile business at 15x avg FY26-27 EV/EBITDA, 7x avg FY26-27 EV/EBITDA, 3x avg FY26-27 EV/EBITDA for DTH and Home Services, and adding the value of its investments in Airtel Africa, Indus Towers and Bharti Hexacom.

Bharti Airtel: For Q3, subscriber growth is to come in muted at 354mn, however ARPU to come in at Rs 246 (up 5.6% QoQ). Airtel Africa business is expected to remain muted QoQ, and we have factored in a 4% QoQ growth rate for the enterprise business. For DTH we have factored in a growth of 3.4% QoQ.

- Accordingly, Bharti's Q3FY25E consolidated Revenue/EBITDA is expected to increase to Rs437.6bn (+5.5% QoQ)/Rs230.6 bn (+5.6% QoQ).
- Bharti is also targeting ~Rs 500bn market opportunity with its Enterprise offerings including CPaaS, cloud, cybersecurity and data centers as company expects 80% of corporates will put up 5G within next 3 years.

JIO: We expect JIO to report Revenue/EBITDA of Rs293.3bn (4% QoQ)/Rs 158.8bn (5.6% QoQ). We have also factored in ARPU of Rs205 (+5% QoQ) and muted subscriber growth to 476mn.

Exhibit 1: ARPU and subscriber addition for top 2 players has steadily risen

	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25E
ARPU (Rs/mon)							
Bharti	200	203	208	209	211	233	246
Jio	181	182	182	182	182	195	205

	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25E
Subscriber (mn)							
Bharti	338.6	342.3	345.6	352.3	354.5	351.6	354
Jio	448.5	459.7	470.9	481.8	489.7	478.8	475.8

Source: Company, PL

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Exhibit 2: Q3FY25 Result Preview

Company Name		Q3FY25E	Q3FY24	YoY gr. (%)	Q2FY25	QoQ gr. (%)	Remark
	Sales	4,37,649	3,78,995	15.5	4,14,733	5.5	
	EBITDA	2,30,641	1,98,148	16.4	2,18,462	5.6	
Bharti Airtel	Margin (%)	52.7	52.3	42 bps	52.7	2 bps	We have factored in net subscriber addition to be muted and ARPU of Rs 246 in Q3. Africa, enterprise and home services will show steady growth ahead, while DTH business will be muted
	PBT	59,422	35,354	68.1	56,772	4.7	
	Adj. PAT	48,583	25,724	88.9	44,469	9.3	

Source: Company, PL

Exhibit 3: Valuation Summary

Company Names	S/ C	Rating	CMP (Rs)	TP (Rs)	MCap (Rs bn)	Sales (Rs bn)				EBITDA (Rs bn)				PAT (Rs bn)				EPS (Rs)				RoE (%)				PE (x)			
						FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E
Bharti Airtel	C	Acc	1,599	1,783	9,082.5	1,499.8	1,696.2	1,961.5	2,145.7	782.9	887.9	1,039.6	1,137.2	134.7	185.8	271.6	320.9	23.7	32.7	47.8	56.5	16.9	20.9	24.9	23.1	67.4	48.9	33.4	28.3

Source: Company, PL

S=Standalone / C=Consolidated / Acc=Accumulate

Exhibit 4: Change in Estimates

Company Names	Rating		Target Price			Sales (Rs mn)						PAT (Rs mn)						EPS (Rs)					
	C		P		% Chng.	FY25E			FY26E			FY25E			FY26E			FY25E			FY26E		
	C	P	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.
Bharti Airtel	Acc	Acc	1,783	1,782	0.1%	2,30,504	2,35,704	-2.2%	3,44,932	3,42,463	0.7%	1,85,799	1,92,809	-3.6%	2,71,604	2,72,930	-0.5%	32.7	33.9	-3.6%	47.8	48.1	-0.5%

Source: Company, PL

C=Current / P=Previous / Acc=Accumulate

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Aarti Industries	Reduce	381	405
2	Ashok Leyland	Accumulate	240	222
3	Bajaj Auto	Hold	11,859	11,617
4	Bharat Forge	Accumulate	1,501	1,329
5	Bharat Petroleum Corporation	Hold	301	283
6	Bharti Airtel	Accumulate	1,782	1,637
7	CEAT	Hold	3,171	3,149
8	Clean Science and Technology	Hold	1,471	1,449
9	Deepak Nitrite	Reduce	2,295	2,460
10	Divgi Torqtransfer Systems	Hold	632	638
11	Eicher Motors	BUY	5,299	4,599
12	Endurance Technologies	BUY	2,835	2,437
13	Exide Industries	Hold	456	437
14	Fine Organic Industries	BUY	5,765	4,474
15	GAIL (India)	Hold	203	186
16	Gujarat Fluorochemicals	Reduce	3,724	3,926
17	Gujarat Gas	Sell	362	508
18	Gujarat State Petronet	Hold	351	359
19	Hero Motocorp	Accumulate	5,162	4,604
20	Hindustan Petroleum Corporation	Hold	391	386
21	Indian Oil Corporation	Hold	152	134
22	Indraprastha Gas	Sell	315	431
23	Jubilant Ingrevia	Reduce	731	837
24	Laxmi Organic Industries	Reduce	213	230
25	Mahanagar Gas	Sell	984	1,245
26	Mahindra & Mahindra	BUY	3,456	2,899
27	Mangalore Refinery & Petrochemicals	Accumulate	168	145
28	Maruti Suzuki	BUY	14,586	11,046
29	Navin Fluorine International	Accumulate	3,672	3,478

PL's Recommendation Nomenclature

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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