

**Price:** 1,644

**Recommendation:** Buy

**Industry:** Telecom - Cellular

**Sector:** Telecommunication

**Report Date:** 21-Apr-2025

Bharti Airtel, a leading telecom company, is enhancing its market position through strategic initiatives. It focuses on expanding connectivity in rural areas, investing in network expansion, and reducing its carbon footprint. The company is diversifying its portfolio, adding millions of mobile and broadband customers, and enhancing content offerings. With a commitment to digital transformation, Airtel aims for growth in India and Africa, leveraging AI and partnerships to optimize operations.

Sales		Profit & Loss		Profitability Matrix	
Current Year	8127 Cr	Operating Profit(Year)	3907 Cr	Operating Profit Margin	48.1 %
Previous Year	6579 Cr	Operating Profit(Quarter)	1152 Cr	EBITDA Margin	43.90 %
Current Quarter	2251 Cr	PAT (Year)	620 Cr	Net Profit Margin	8.75 %
Previous Quarter	2098 Cr	PAT (Quarter)	324 Cr	EPS	25.0
Revenue (QYoY)	1801 Cr				
Valuation Matrix		Growth(YoY)		Growth(QoQ)	
Trailing P/E	78.2	Sales Growth	16.9 %	Sales Growth	7.29 %
PEG Ratio	3.49	PAT Growth	17.42 %	Sales Growth QYoY	24.99 %
EV/EBITDA	22.2	EPS Growth	147.52 %	PAT Growth	28.06 %
P/B	15.8	Dividend Yield	0.25	PAT Growth QYoY	52.11 %
Capital Allocation		Holdings		Leverage	
RoE	14.0 %	Promoter	70.0 %	Debt/Equity	1.64
RoA	3.37 %	FII	4.33 %	Debt	8513 Cr
RoCE	14.0 %	DII	9.96 %	Market Cap	82192 Cr
RoIC	9.33 %	Public	15.7 %	Enterprise value	90648 Cr
		No of Shares	50.0 Cr	Cash Equivalents	57.7 Cr

source : Company filings

## Company's Overview Based on Recent Concall and Performance:

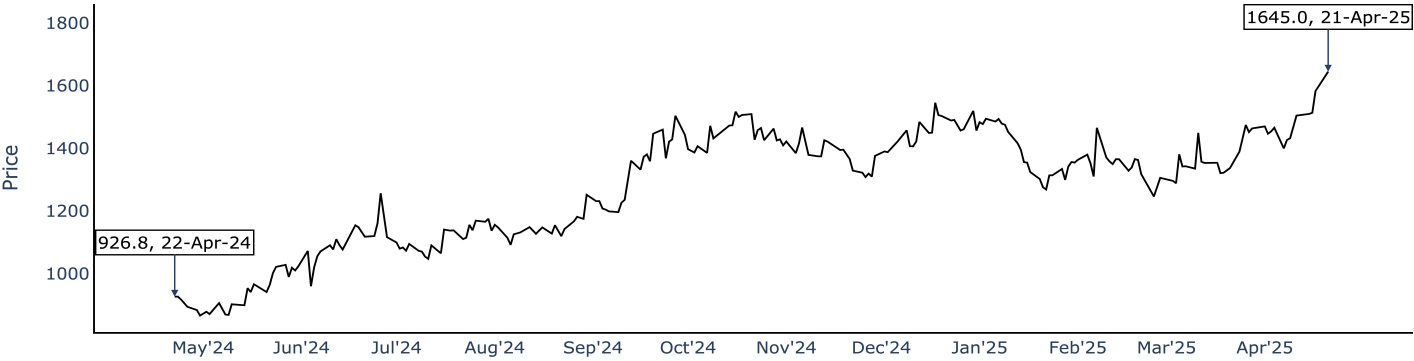
In the recent earnings call, Bharti Airtel and Bharti Hexacom outlined several strategic initiatives and business strategies aimed at enhancing their market position and operational efficiency. A key focus is on expanding connectivity, particularly in rural areas, which account for over 65% of industry growth. The company has made substantial investments in network expansion, covering over 89,000 villages with nearly 43,000 sites. This expansion is complemented by efforts to lower the carbon footprint through solarization and AI-driven network management, which optimizes energy use by adjusting radio technology layers based on real-time traffic patterns. The Airtel Foundation's educational initiatives have also made a significant social impact, reaching over 3 million children and 200,000 teachers across 31,000 schools.

The company is actively pursuing diversification and growth in its business portfolio. In the mobile segment, Bharti Airtel added 4.9 million customers, with a notable increase in smartphone users. The broadband segment saw the addition of 674,000 customers, with Fixed Wireless Access (FWA) now live in over 2,000 cities, expanding the addressable market for Wi-Fi services. The company is also enhancing its content offerings on the Xstream platform, which now includes over 22 OTT apps, and has added ZEE5 to its portfolio. In the B2B segment, Bharti Airtel is focusing on digital growth areas such as Cloud, Security, IoT, and CPaaS, which account for nearly 90% of incremental industry growth. The company plans to launch a comprehensive cloud solution soon, aiming to accelerate growth in these digital adjacencies.

Looking ahead, Bharti Airtel is committed to building a diversified and resilient portfolio, with consistent performance in both India and Africa. The company is focusing on winning quality customers and expanding its addressable market through increased fiber home passes and FWA rollout. The company is also investing in upgrading its network infrastructure to deliver a superior customer experience, leveraging AI and digital tools to optimize network performance and reduce costs. The partnership with Bajaj Finance aims to deepen the penetration of financial products and services, combining Airtel's digital platforms with Bajaj's underwriting strength.

While the company has delivered strong growth, there are areas for improvement. The focus on shedding low-margin businesses, such as wholesale commodity voice and messaging, is expected to streamline operations and improve profitability. However, the company acknowledges the need to enhance its competitive position in the home broadband segment and is actively working to address this through increased channel activation and digital capabilities. The company's strategy to move AI from experiments to core operations is expected to drive further efficiencies and innovation. Overall, Bharti Airtel's strategic initiatives and focus on digital transformation position it well for future growth, though continued efforts are needed to maintain competitive momentum and capitalize on emerging opportunities.

BHARTIHEXA Daily Closing One Year Price Chart



Name	Mar Cap (Rs. Cr.)	P/E	ROE	Sales(G) QoQ	Sales(G) QYoY	PAT(G) QoQ	PAT(G) QYoY
Vodafone Idea	87432.81			1.69%	4.16%	7.90%	14.62%
Nazara Technolo.	8458.91	118.41	3.42%	67.65%	66.88%	-24.42%	-46.04%
Bharti Hexacom	82192.50	78.22	14.02%	7.30%	25.00%	27.90%	52.19%
Tata Comm	44859.07	40.16	65.21%	1.23%	3.76%	11.96%	893.19%
Tata Tele. Mah.	11874.17			-3.12%	12.41%	4.62%	-2.41%

Aspect	Commentary
Revenue	The company shows a robust revenue increase, with current year sales at 8127 Cr, up from 6579 Cr last year. Quarterly growth is also positive, with current quarter sales at 2251 Cr, compared to 2098 Cr in the previous quarter, indicating strong market demand and effective sales strategies.
Profit & Loss	Operating profit for the year stands at 3907 Cr, with a quarterly figure of 1152 Cr. The PAT for the year is 620 Cr, and 324 Cr for the quarter, reflecting efficient cost management and operational effectiveness, contributing to a healthy bottom line.
Profitability Matrix	The company maintains strong profitability with an operating profit margin of 48.1% and an EBITDA margin of 43.90%. The net profit margin is 8.75%, and EPS is 25.0, indicating effective cost control and revenue generation strategies.
Valuation Matrix	The trailing P/E ratio is 78.2, with a PEG ratio of 3.49, suggesting high growth expectations. The EV/EBITDA is 22.2, and P/B is 15.8, reflecting market confidence in the company's future earnings potential and asset utilization.
Growth (YoY)	Year-over-year growth is strong, with sales growth at 16.9% and PAT growth at 17.42%. EPS growth is particularly notable at 147.52%, indicating significant improvements in earnings performance and shareholder value.
Growth (QoQ)	Quarter-over-quarter growth is impressive, with sales growth at 7.29% and PAT growth at 28.06%. The QYoY sales growth is 24.99%, and PAT growth is 52.11%, highlighting the company's ability to sustain momentum and capitalize on market opportunities.
Capital Allocation	The company demonstrates effective capital allocation with RoE and RoCE both at 14.0%, and RoA at 3.37%. RoIC is 9.33%, indicating efficient use of capital to generate returns, supporting long-term financial health and shareholder value.
Holdings	Promoter holding is strong at 70.0%, with FII at 4.33% and DII at 9.96%. Public holding is 15.7%, reflecting a balanced ownership structure that supports strategic decision-making and market confidence.
Leverage	The debt/equity ratio is 1.64, with total debt at 8513 Cr. The market cap is 82192 Cr, and enterprise value is 90648 Cr, indicating a leveraged position that supports growth initiatives while maintaining financial stability.

**Analyst viewpoint:** Bharti Hexacom is demonstrating an impressive growth trajectory with a quarterly PAT increase of 28.06% and sales growth of 7.29%. This momentum is complemented by a notable QYoY rise in sales and PAT at 24.99% and 52.11% respectively, showcasing the company's ability to leverage market opportunities effectively. Capital allocation appears robust, with a RoE and RoCE of 14%, reflecting strong returns on equity and capital employed. The recent earnings call highlighted strategic investments in network and service expansion, particularly targeting underserved rural markets, and advancements in digital offerings which are set to drive sustained growth. The engagement in areas like AI and partnerships with digital front-runners enhances its operational efficiency and market competitiveness.

Notably, Bharti Hexacom's valuation metrics suggest positive market expectations with a trailing P/E of 78.2. The company's diversification efforts and strategic initiatives with Bajaj Finance broaden its financial service reach, setting a strong foundation for future performance. However, while the competitive stance in home broadband is being addressed through innovative sales channels, continued vigilance is vital to maintain market leadership. Overall, Bharti Hexacom is poised for substantial short to mid-term growth, supported by strategic capital allocation and market expansion initiatives, though there remains a need to continue optimizing broadband presence.

Please read detailed disclosure on next page.





**Terms & Conditions:**

These Terms and Conditions govern the use of the research subscription services provided by GOALZEN CAPITAL SERVICES PRIVATE LTD ("GoalFi" or "We"). By subscribing to our services, you agree to these terms, if you disagree with any part of the terms, you must not use our services.

**Payment and Renewal:**

The subscription fee is non-refundable. No such requests over email or any other channel requesting for refund or for pro-rata refund will be acknowledged if smallcase constituents or research provided is accessed by the user. Please do not subscribe if you disagree with any part of the terms. Subscription renewals will be charged the standard rate unless otherwise notified.

**Limitation of Liability:**

GoalFi provides research based on data and analysis. The subscriber acknowledges that all investment decisions carry inherent risks, and GoalFi shall not be liable for any losses incurred based on our research.

**No Investment Advice:**

The content provided under the subscription is purely for informational purposes and should not be construed as investment advice. GoalFi, being a SEBI Registered Research Analyst (RA), provides research insights and not investment advisory services.

**Termination:**

GoalFi reserves the right to terminate the subscription at any time due to non-compliance with these terms or any other reasons deemed appropriate by us and no refund will be made.

**No Guarantee:** While we strive to provide accurate and reliable research, there is no guarantee on the returns or performance of the recommendations. Investing in securities involves risks, and there's the potential for losing money.

**Review and Update:** Our research products are reviewed and updated periodically to reflect the latest market conditions and insights. However, market conditions can change rapidly, and there's no guarantee that the conditions on which recommendations and insights are based will remain the same.

**Research Analyst Details:**

Name: Robin Arya

Email: [smallcase@goalfi.in](mailto:smallcase@goalfi.in)

Contact: +91-9394306085

GOALZEN CAPITAL SERVICES PRIVATE LIMITED

CIN: U66190TS2023PTC176030

Address: Co ikeva Office 10, Level 3, NSL Centrum, Serene Estate Pvt Ltd, Site No. Phase I and II, Opp KPHB Colony Lane Opp. Forum Mall Kukatpally, HYDERABAD, TELANGANA, 500072

Support Telephone: +91 9063309052, Support Email – [support@goalfi.in](mailto:support@goalfi.in)

Customer having any query/feedback/ clarification/ In case of grievances for any of the services rendered by GOALZEN CAPITAL SERVICES PRIVATE LIMITED, write to [hello@goalfi.app](mailto:hello@goalfi.app)

Website: [goalfiresearch.smallcase.com](http://goalfiresearch.smallcase.com)