

February 8, 2023

Q3FY23 Result Update

Change in Estimates | Target | Reco

Change in Estimates

	Current		Previous	
	FY24E	FY25E	FY24E	FY25E
Rating	BUY		BUY	
Target Price	1,008		1,039	
Sales (Rs. m)	16,40,097	19,65,541	16,76,905	19,45,960
% Chng.	(2.2)	1.0		
EBITDA (Rs. m)	8,45,221	10,15,558	8,87,154	10,22,420
% Chng.	(4.7)	(0.7)		
EPS (Rs.)	21.8	40.8	28.3	42.0
% Chng.	(23.0)	(2.8)		

Key Financials - Consolidated

Y/e Mar	FY22	FY23E	FY24E	FY25E
Sales (Rs. bn)	1,165	1,400	1,640	1,966
EBITDA (Rs. bn)	575	713	845	1,016
Margin (%)	49.4	50.9	51.5	51.7
PAT (Rs. bn)	43	73	130	243
EPS (Rs.)	7.8	12.8	21.8	40.8
Gr. (%)	(107.2)	63.1	70.1	87.6
DPS (Rs.)	3.0	5.0	7.0	9.0
Yield (%)	0.4	0.6	0.9	1.2
RoE (%)	6.9	9.2	13.5	22.1
RoCE (%)	10.7	13.1	14.6	19.5
EV/Sales (x)	5.0	4.2	3.7	2.9
EV/EBITDA (x)	10.1	8.3	7.3	5.6
PE (x)	98.8	60.6	35.6	19.0
P/BV (x)	6.4	4.8	4.6	3.9

Key Data

BRTI.BO | BHARTI IN

52-W High / Low	Rs.877 / Rs.629
Sensex / Nifty	60,664 / 17,872
Market Cap	Rs.4,474bn/ \$ 54,232m
Shares Outstanding	5,574m
3M Avg. Daily Value	Rs.4369.26m

Shareholding Pattern (%)

Promoter's	55.21
Foreign	21.88
Domestic Institution	18.92
Public & Others	3.99
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(2.6)	10.0	9.3
Relative	(3.9)	6.8	4.2

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Healthy subscriber's addition drives growth

Quick Pointers:

- Entry level plan tariff raised by 57% in seventeen out of twenty two circles which account for ~15-20% of revenues.
- Gained revenue market share in B-B segment; expects strong growth in CPaaS, IOT, Cyber security etc.

We lower our FY23-25E earnings by 15%/23%/2% even as we 1) lower ARPU growth by 3-9%, given delays in pricing action 2) factor increase in mobile subscriber count by 1-3% and 3) higher depreciation charges by 2-5%. Bharti Airtel (BHARTI) reported strong operational results with consolidated EBIDTA/PAT of Rs184.5bn (+4.9%QoQ; PLe Rs178.5bn) and Rs15.8bn (-26%QoQ; PLe Rs22.5bn), led by strong performance across businesses. PAT had one-time prior period license fee charge of Rs6.7bn. India mobile revenues were up 2.1%QoQ and EBIDTA margins were up 140bps QoQ to 53.8% led by ARPU rise to Rs193 (+1.9%QoQ; PLe Rs196) and 6.4mn high value 4G subscribers (overall addition was 4.5mn). Africa mobile and enterprise revenues were up 3.2%QoQ and 2.4%QoQ, while EBIDTA margins were flat QoQ at 49.1% and 39.9% (+70bps QoQ) respectively. Home services (fixed line + broadband) along with DTH had ARPU decline by 1-3% QoQ.

We remain structurally positive on Indian telecom and BHARTI given consolidation in the sector which may lead to regular tariff hikes. Maintain 'BUY' at SOTP based PT of Rs1,009 (Rs1,039 earlier) as we increase lease debt, but increase India mobile multiple to 8.5x (7.8x earlier).

4G subscriber addition of 6.4m drives India mobile business: India mobile Q3 performance was strong with Revenue and EBIDTA of Rs193.5bn (+2.1%QoQ; PLe Rs193.6bn) and Rs103.8bn (+4.9%QoQ; PLe Rs101.2bn). EBIDTA margins improved to 53.8% (+140bps QoQ) as ARPU increased to Rs193 (+1.9%QoQ) aided by 4G customer addition of 6.4mn and lower Spectrum Usage Charge (SUC). Q3 Jio EBIDTA growth was lower at 4.5%QoQ and EBIDTA margins were up 120bps QoQ to 52.2% and ARPU of Rs178 (+0.6%QoQ). Sector consolidation will aid regular price hikes and factor in ARPU of Rs193/218/253 (lower 3-9%), but increase subscriber estimates by 1-3% (refer exhibit 1).

3.8mn subscriber addition helps Africa performance: Q3 Africa revenues were at \$1.4bn (+3.2%QoQ) witnessing growth across all segments. While total subscribers grew by 3.8mn, ARPU remained flat at \$3.1 maintaining EBIDTA margins at 49.1%.

Steady improvement in enterprise and home services: In Q3 the enterprise segment revenue was at Rs 47.8bn (+2.4%QoQ; PLe Rs48.7bn) and EBIDTA was at Rs19.1 (+4.1%QoQ; PLe Rs 19.3bn). EBIDTA margin was at 39.9% (+65bps QoQ). Home services revenues were at Rs10.3bn (+4.5%QoQ; PLe Rs10.6bn) and EBIDTA was at Rs5.2bn (+3.8% QoQ; PLe Rs 5.7bn). EBIDTA margins were at 50.0% (-30bps QoQ), due to lower ARPU of Rs624 (Q2: 646; PLe Rs660). Subscriber addition was 432k, with total reaching 5.6mn. DTH EBIDTA was down 5% QoQ to Rs 4.1bn, due to muted ARPU of Rs154 and net subscriber addition of 214,000.

Conference Call Highlights

- Postpaid connection addition for Q3 was at 650,000 vs 280,000 in Q2.
- 11% of Bharti's customer base have 5G smartphones and company expects this share to rise to 24% by Mar-24.
- Entry level tariff plans raised to Rs155 from Rs99 in 17 out of 22 circles; company hasn't seen much customer churn.
- Bharti expects capex to be preponed, as the company builds up 5G infrastructure and increases focus on 60,000 high potential villages.
- Company is targeting top 150 cities, who account for ~40% of overall telecom market.
- Airtel enterprise remains a leader in B-B space by gaining revenue market share. Company sees lots of opportunities in IOT, CPaaS and cyber security.
- Company has seen 300% growth in top 50 out of 500 key accounts in enterprise segment and plans to replicate the same in others.

Exhibit 1: We lower our ARPU estimates by 3-9%, but increase subscriber numbers by 1-3% for FY23-25E

	FY23E			FY24E			FY25E		
	New	Old	(% chg)	New	Old	(% chg)	New	Old	(% chg)
India ARPU (Rs/mon)	193	199	-2.8%	218	239	-9.1%	253	278	-8.8%
India mobile sub EOP (mn)	334	331	0.9%	345	340	1.6%	357	347	2.9%

Source: Company, PL

Exhibit 2: Q2FY23 Result Overview (Rs mn); Strong subscriber addition drives 25% YoY EBIDTA growth

Y/e March	Q3FY23	Q3FY22	YoY gr.	Q2FY23	QoQ gr.	9MFY23	9MFY22	YoY gr.
Revenue	3,58,044	2,98,666	19.9%	3,45,268	3.7%	10,31,358	8,50,466	21.3%
Operating Expenses								
Cost of services (Excl D&A)	1,33,410	1,20,852	10.4%	1,32,210	0.9%	3,93,687	3,48,091	-62.0%
Access charges	19,352	17,232	12.3%	19,310	0.2%	57,360	50,106	-61.5%
License fees, revenue share & spectrum charges	28,421	27,298	4.1%	29,511	-3.7%	89,238	80,547	-63.4%
Network operations costs	73,284	64,986	12.8%	71,303	2.8%	2,11,415	1,84,747	-61.4%
Employee costs	12,353	11,336	9.0%	12,086	2.2%	35,674	32,691	-63.0%
SG&A (excl) amortization of intangibles-take it from schedule of operating expenses)	19,118	14,425	32.5%	17,823	7.3%	52,610	37,708	-52.7%
Elimination	20,984	16,361	28.3%	19,297	8.7%	59,297	49,731	-61.2%
Total Operating Expense	1,73,512	1,51,638	14.4%	1,69,330	2.5%	5,05,594	4,35,530	-61.1%
EBITDA	1,84,532	1,47,028	25.5%	1,75,938	4.9%	5,25,764	4,14,936	-57.6%
Depreciation and amortization	92,977	85,382	8.9%	89,468	3.9%	2,70,259	2,44,607	-63.4%
Interest	46,856	-	NA	49,403	-5.2%	1,41,368	1,25,490	-60.6%
Other income	2,576	1,971	30.7%	2,019	27.6%	6,517	5,157	-60.8%
PBT	47,275	63,617	-25.7%	39,086	21.0%	1,20,654	49,997	-21.8%
Tax	10,756	9,908	8.6%	12,864	-16.4%	34,853	28,561	-55.0%
Share of profits in associates / joint ventures	(3,684)	6,161	-159.8%	3,567	-203.3%	1,511	17,096	-79.1%
PAT	26,137	16,278	60.6%	29,789	-12.3%	80,614	38,532	-22.7%
PAT post minority interest	15,882	8,465	87.6%	21,452	-26.0%	53,403	15,101	42.1%

Source: Company, PL

Exhibit 3: BHARTI's Q3 India mobile business growth ahead of Jio due to higher ARPU

	Q1FY22		Q2FY22		Q3FY22		Q4FY22		FY22		Q1FY23		Q2FY23		Q3FY23	
	Bharti	Jio	Bharti	Jio	Bharti	Jio	Bharti	Jio	Bharti	Jio	Bharti	Jio	Bharti	Jio	Bharti	Jio
India Mobile Revenue	143,056	179,940	151,913	187,350	160,917	193,470	176,168	209,010	632,054	769,770	182,200	218,730	189,576	225,210	193,527	229,980
<i>Growth</i>	1.60%	3.70%	6.20%	4.10%	5.90%	3.30%	9.50%	8.00%	13.70%	10.10%	3.40%	4.70%	4.00%	3.00%	2.08%	2.12%
EBITDA	70,335	86,170	74,679	89,890	79,434	95,140	89,215	105,100	313,664	376,300	93,281	109,640	99,258	114,890	104,121	120,090
<i>Growth</i>	5.10%	3.90%	6.18%	4.30%	6.37%	5.80%	12.31%	10.50%	29.27%	21.70%	-70.26%	4.30%	6.41%	4.80%	4.90%	4.53%
ARPU	146	138	153	144	163	152	178	168	163	150	183	176	190	177	193	178.2
<i>Growth</i>	-6.60%	-3.60%	4.79%	3.80%	6.54%	5.60%	9.20%	10.60%	-8.43%	4.40%	12.27%	16.90%	3.83%	0.90%	1.58%	0.68%
India Subscribers- EOP	321	441	323	430	323	421	326	410	326	410	327	420	328	428	332	433
Net Addition	-0.1	14.0	2.2	-11.1	-0.6	-8.5	3.1	-10.8	4.7	-16.0	1.3	9.7	0.5	7.7	4.4	4.9
4G subscribers EOP	184	441	193	430	196	421	201	410	201	410	205	420	210	428	217	433

Source: Company, PL; Q1FY22 ARPU decline is due to IUC charges discontinuation

Exhibit 4: BHARTI's SOTP: Implied target PE of 24.6x FY25E

Segment	Stake	FY25E EBITDA	EV/E (x)	(Rs m)	Remarks
India mobile business	100.0%	576	8.5	4,899	
Airtel Africa	55.5%	273	4.0	607	MTN/Vodacom trade at 2.8x/4.5x EV/EBITDA
Enterprise segment	100.0%	106	8.5	899	Peer valuation
Stake in Indus tower	47.7%	148	5.0	353	Consensus estimates
DTH	100.0%	19	2.7	52	DISH TV trades at 1.6x FY25E EBITDA
Home services	100.0%	45	5.5	246	
EV				7,056	
Net debt				1,048	
Equity value (Rs bn)				6,008	
Equity value/share				1,009	

Source: PL

Exhibit 5: BHARTI quarterly details

Y/e March (Rs m)	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23
Consolidated						
Total revenues	2,83,264	2,98,666	3,15,003	3,28,046	3,45,268	3,58,044
<i>QoQ Growth</i>	5.5%	5.4%	5.5%	4.1%	5.2%	3.7%
Adjusted EBITDA	1,38,105	1,47,028	1,60,403	1,65,294	1,75,938	1,84,532
<i>QoQ Growth</i>	6.4%	6.5%	9.1%	3.0%	6.4%	4.9%
<i>Margin (%)</i>	48.8%	49.2%	50.9%	50.4%	51.0%	51.5%
Net Profit	12,986	16,278	28,088	24,688	29,789	26,137
Net profit post Minority share	11,566	8,465	20,078	16,069	21,452	15,882
<i>QoQ Growth</i>	4.1%	2.8%	6.4%	4.9%	6.2%	4.4%
India operations						
Total revenues	1,98,904	2,09,127	2,25,004	2,33,189	2,43,333	2,50,301
<i>QoQ Growth</i>	5.1%	5.1%	7.6%	3.6%	4.3%	2.9%
Adjusted EBITDA	98,576	1,04,067	1,14,361	1,18,817	1,26,056	1,31,540
<i>QoQ Growth</i>	6.4%	5.6%	9.9%	3.9%	6.1%	4.4%
<i>Margin (%)</i>	49.6%	49.8%	50.8%	51.0%	51.8%	52.6%

(Rs m)	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23
Africa operations						
Revenues (\$mn)	1,160	1,219	1,222	1,257	1,308	1,350
<i>QoQ Growth</i>	4.3%	5.1%	0.2%	2.9%	4.0%	3.2%
EBITDA (\$mn)	564	605	610	614	641	663
<i>QoQ Growth</i>	5.5%	7.4%	0.8%	0.6%	4.5%	3.4%
<i>Margin (%)</i>	48.6%	49.6%	49.9%	48.8%	49.1%	49.1%
Subscribers (m)	122.7	125.8	128.4	131.6	134.7	138.5
ARPU (\$/mon)	2.8	3.0	2.9	2.9	3.1	3.1
India wireless						
Revenues	1,51,913	1,60,917	1,76,168	1,82,200	1,89,576	1,93,527
<i>QoQ Growth</i>	6.2%	5.9%	9.5%	3.4%	4.0%	2.1%
EBITDA	74,679	76,143	88,469	93,281	99,258	1,03,791
<i>QoQ Growth</i>	6.2%	2.0%	16.2%	5.4%	6.4%	4.6%
<i>Margin (%)</i>	49.2%	47.3%	50.2%	51.2%	52.4%	53.6%
Subscribers EoP (m)	323.5	322.9	326.0	327.3	327.8	332.2
ARPU (Rs)	153	163	178	183	190	193
<i>QoQ Growth</i>	5.0%	6.0%	9.6%	2.8%	3.6%	1.9%
RPM (Rs)	0.145	0.153	0.165	0.166	0.175	0.177
Homes						
Revenues	7,127	7,969	8,762	9,265	9,898	10,343
<i>QoQ Growth</i>	9.1%	11.8%	10.0%	5.7%	6.8%	4.5%
EBITDA	3,779	4,358	4,774	4,927	4,983	5,173
<i>QoQ Growth</i>	17.0%	15.3%	9.5%	3.2%	1.1%	3.8%
<i>Margin (%)</i>	53.0%	54.7%	54.5%	53.2%	50.3%	50.0%
Enterprise Business						
Revenues	39,953	41,059	41,798	43,656	46,646	47,779
<i>QoQ Growth</i>	5.4%	2.8%	1.8%	4.4%	6.8%	2.4%
EBITDA	15,922	15,824	16,451	17,011	18,293	19,050
<i>QoQ Growth</i>	8.4%	-0.6%	4.0%	3.4%	7.5%	4.1%
<i>Margin (%)</i>	39.9%	38.5%	39.4%	39.0%	39.2%	39.9%
DTH						
Revenues	7,979	7,912	7,552	7,482	7,288	7,390
EBITDA	5,314	5,319	4,952	4,779	4,352	4,132
<i>Margin</i>	66.6%	67.2%	65.6%	63.9%	59.7%	55.9%
DTH subs (m)	16.32	16.21	16.03	15.71	15.77	15.99
DTH ARPU (Rs)	163	161	157	158	155	154
Capex (Rs mn)						
Consolidated	69,722	61,015	59,971	63,982	70,469	93,136
India mobile	46,293	29,734	26,178	36,945	39,107	63,793
Africa	10,315	13,965	16,816	10,880	13,500	12,077
Home services	3,500	4,062	4,968	6,604	5,886	4,966
Enterprise	5,622	8,368	8,478	6,861	8,792	7,660
DTH	2,579	4,374	3,143	2,470	3,054	4,534
SE Asia	1,414	512	388	221	130	104

Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY22	FY23E	FY24E	FY25E
Net Revenues	11,65,469	14,00,043	16,40,097	19,65,541
YoY gr. (%)	15.8	20.1	17.1	19.8
Cost of Goods Sold	-	-	-	-
Gross Profit	11,65,469	14,00,043	16,40,097	19,65,541
Margin (%)	100.0	100.0	100.0	100.0
Employee Cost	44,333	48,578	57,403	72,725
Other Expenses	64,310	80,281	83,936	83,936
EBITDA	5,75,339	7,13,069	8,45,221	10,15,558
YoY gr. (%)	543.8	23.9	18.5	20.2
Margin (%)	49.4	50.9	51.5	51.7
Depreciation and Amortization	3,30,433	3,76,006	4,41,694	4,56,069
EBIT	2,44,906	3,37,063	4,03,528	5,59,489
Margin (%)	21.0	24.1	24.6	28.5
Net Interest	1,66,083	1,84,310	1,81,583	1,80,335
Other Income	5,343	10,627	16,058	29,045
Profit Before Tax	84,167	1,63,380	2,38,002	4,08,199
Margin (%)	7.2	11.7	14.5	20.8
Total Tax	41,779	50,248	75,474	1,27,082
Effective tax rate (%)	49.6	30.8	31.7	31.1
Profit after tax	42,388	1,13,132	1,62,528	2,81,117
Minority interest	40,503	37,774	46,400	53,237
Share Profit from Associate	-	-	-	-
Adjusted PAT	43,103	73,172	1,29,706	2,43,288
YoY gr. (%)	(107.2)	69.8	77.3	87.6
Margin (%)	3.7	5.2	7.9	12.4
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	43,103	73,172	1,29,706	2,43,288
YoY gr. (%)	(107.2)	69.8	77.3	87.6
Margin (%)	3.7	5.2	7.9	12.4
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	43,103	73,172	1,29,706	2,43,288
Equity Shares O/s (m)	5,492	5,718	5,957	5,957
EPS (Rs)	7.8	12.8	21.8	40.8

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY22	FY23E	FY24E	FY25E
Non-Current Assets				
Gross Block	22,53,815	25,03,815	27,53,815	30,03,815
Tangibles	22,53,815	25,03,815	27,53,815	30,03,815
Intangibles	-	-	-	-
Acc: Dep / Amortization	13,48,090	16,28,790	19,45,479	22,76,543
Tangibles	13,48,090	16,28,790	19,45,479	22,76,543
Intangibles	-	-	-	-
Net fixed assets	9,05,725	8,75,025	8,08,336	7,27,272
Tangibles	9,05,725	8,75,025	8,08,336	7,27,272
Intangibles	-	-	-	-
Capital Work In Progress	3,64,672	3,82,906	3,91,899	4,01,139
Goodwill	12,12,822	14,73,293	16,55,393	15,37,634
Non-Current Investments	3,24,771	3,42,177	3,51,074	3,60,355
Net Deferred tax assets	1,74,762	1,83,500	1,92,675	2,02,309
Other Non-Current Assets	1,09,041	1,15,367	1,22,097	1,29,259
Current Assets				
Investments	8,614	9,045	9,497	9,972
Inventories	3,750	4,403	5,191	6,285
Trade receivables	40,562	49,865	58,414	70,006
Cash & Bank Balance	1,34,943	3,78,736	2,45,039	7,03,676
Other Current Assets	1,17,152	1,28,867	1,41,754	1,55,929
Total Assets	36,36,560	42,05,650	42,68,768	46,18,595
Equity				
Equity Share Capital	27,950	29,457	29,457	29,457
Other Equity	6,37,593	8,89,999	9,78,009	11,67,687
Total Network	6,65,543	9,19,456	10,07,465	11,97,143
Non-Current Liabilities				
Long Term borrowings	14,25,912	16,26,440	15,72,070	15,67,337
Provisions	4,639	5,103	5,358	5,626
Other non current liabilities	1,537	1,546	1,623	1,704
Current Liabilities				
ST Debt / Current of LT Debt	2,70,867	2,18,900	1,99,419	1,95,489
Trade payables	2,92,741	2,57,734	2,83,508	3,11,859
Other current liabilities	5,76,652	6,35,862	7,01,634	7,80,523
Total Equity & Liabilities	36,36,560	41,08,726	42,68,768	46,18,595

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY22	FY23E	FY24E	FY25E
PBT	1,08,399	1,67,891	2,51,579	4,23,607
Add. Depreciation	3,30,433	3,76,006	4,41,694	4,56,069
Add. Interest	1,66,083	1,84,310	1,81,583	1,80,335
Less Financial Other Income	5,343	10,627	16,058	29,045
Add. Other	-	-	-	-
Op. profit before WC changes	6,04,914	7,28,207	8,74,856	10,60,011
Net Changes-WC	10,420	93,899	2,23,009	2,61,564
Direct tax	(41,779)	(50,248)	(75,474)	(1,27,082)
Net cash from Op. activities	5,73,555	7,71,858	10,22,392	11,94,493
Capital expenditures	(5,88,674)	(6,39,082)	(5,72,428)	(2,72,943)
Interest / Dividend Income	-	-	-	-
Others	54,709	(18,623)	(19,758)	(20,970)
Net Cash from Inv. activities	(5,33,965)	(6,57,704)	(5,92,186)	(2,93,914)
Issue of share cap. / premium	-	-	-	-
Debt changes	31,246	1,30,179	(1,51,053)	(1,01,307)
Dividend paid	(16,476)	(28,588)	(41,696)	(53,610)
Interest paid	(1,66,083)	(1,84,310)	(1,81,583)	(1,80,335)
Others	-	-	-	-
Net cash from Fin. activities	(1,51,313)	(82,719)	(3,74,333)	(3,35,252)
Net change in cash	(1,11,722)	31,435	55,874	5,65,327
Free Cash Flow	1,53,304	3,91,403	6,31,289	8,03,001

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q4FY22	Q1FY23	Q2FY23	Q3FY23
Net Revenue	3,15,003	3,28,046	3,45,268	3,58,044
YoY gr. (%)	22.3	22.2	21.9	19.9
Raw Material Expenses	-	-	-	-
Gross Profit	3,15,003	3,28,046	3,45,268	3,58,044
Margin (%)	100.0	100.0	100.0	100.0
EBITDA	1,60,403	1,65,294	1,75,938	1,84,532
YoY gr. (%)	30.1	27.3	27.4	25.5
Margin (%)	50.9	50.4	51.0	51.5
Depreciation / Depletion	66,613	68,790	71,271	71,551
EBIT	74,577	77,480	86,470	91,555
Margin (%)	23.7	23.6	25.0	25.6
Net Interest	40,593	45,109	49,403	46,856
Other Income	186	1,922	2,019	2,576
Profit before Tax	34,170	34,293	39,086	47,275
Margin (%)	10.8	10.5	11.3	13.2
Total Tax	13,218	11,233	12,864	10,756
Effective tax rate (%)	38.7	32.8	32.9	22.8
Profit after Tax	20,952	23,060	26,222	36,519
Minority interest	17,072	8,619	8,337	10,255
Share Profit from Associates	7,136	1,628	3,567	(3,684)
Adjusted PAT	20,078	16,069	21,452	15,882
YoY gr. (%)	0.4	436.8	85.5	87.6
Margin (%)	6.4	4.9	6.2	4.4
Extra Ord. Income / (Exp)	(9,062)	-	-	-
Reported PAT	11,016	16,069	21,452	15,882
YoY gr. (%)	(29.3)	497.7	393.7	96.9
Margin (%)	3.5	4.9	6.2	4.4
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	11,016	16,069	21,452	15,882
Avg. Shares O/s (m)	-	-	-	-
EPS (Rs)	-	-	-	-

Source: Company Data, PL Research

Key Financial Metrics

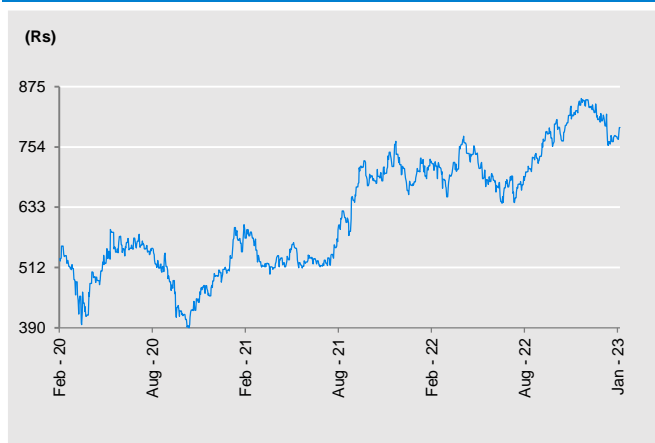
Y/e Mar	FY22	FY23E	FY24E	FY25E
Per Share(Rs)				
EPS	7.8	12.8	21.8	40.8
CEPS	68.0	78.6	95.9	117.4
BVPS	121.2	160.8	169.1	201.0
FCF	27.9	68.5	106.0	134.8
DPS	3.0	5.0	7.0	9.0
Return Ratio(%)				
RoCE	10.7	13.1	14.6	19.5
ROIC	7.0	8.8	10.1	14.3
RoE	6.9	9.2	13.5	22.1
Balance Sheet				
Net Debt : Equity (x)	2.3	1.6	1.5	0.9
Net Working Capital (Days)	(137)	(104)	(95)	(84)
Valuation(x)				
PER	98.8	60.6	35.6	19.0
P/B	6.4	4.8	4.6	3.9
P/CEPS	11.4	9.9	8.1	6.6
EV/EBITDA	10.1	8.3	7.3	5.6
EV/Sales	5.0	4.2	3.7	2.9
Dividend Yield (%)	0.4	0.6	0.9	1.2

Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY22	FY23E	FY24E	FY25E
Subscribers (mn)	326	334	345	349
ARPU (Rs/mon)	163	193	218	240
USD/INR	74	79	81	82

Source: Company Data, PL Research

Price Chart
Recommendation History


No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	03-Jan-23	BUY	1,039	818
2	01-Nov-22	BUY	1,058	836
3	06-Oct-22	BUY	1,032	809
4	04-Oct-22	BUY	1,032	803
5	05-Sep-22	BUY	1,032	740

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Bharat Petroleum Corporation	BUY	420	335
2	Bharti Airtel	BUY	1,039	818
3	GAIL (India)	BUY	123	95
4	Gujarat Gas	Hold	530	490
5	Hindustan Petroleum Corporation	BUY	350	237
6	Indian Oil Corporation	BUY	125	82
7	Indraprastha Gas	BUY	564	413
8	Mahanagar Gas	BUY	1,103	850
9	Oil & Natural Gas Corporation	BUY	180	150
10	Oil India	BUY	300	215
11	Petronet LNG	BUY	326	223
12	Reliance Industries	BUY	2,878	2,443

PL's Recommendation Nomenclature (Absolute Performance)

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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