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India | Equity Research | Results Update

**Bharti Hexacom Limited**

Telecom

**Seasonality and external events impact Q1 print**

Bharti Hexacom's (BHL) Q1FY26 print was weaker than expected due to 1) lower roaming revenue on seasonality, and external events impacting number of inroamers; and 2) higher other expenses on certain USOF site related cost, partly offset by employee cost provision reversal. BHL generated strong FCF of INR 9bn in Q1, and capex intensity moderated with the completion of rural expansion. Fixed broadband revenue growth remains strong (+10.6% QoQ), and FWA is helping BHL in expanding its addressable market. We trim EPS by 4-6% for FY26/27E and TP to INR 1,760 (from INR 1,780) as we keep EV/EBITDA multiple unchanged at 16x. Upgrade to **HOLD** (from *Reduce*). Structurally, we like integrated telco (Bharti Airtel) over pure mobility Bharti Hexacom.

**Mobile revenue dips 1.5% QoQ/ +17.8% YoY to INR 22bn**

BHL's mobile revenue growth was aided by ARPU growth of 2% QoQ/ 20.3% YoY to INR 246 supported by one extra day, and continuing trend of premiumisation (2G to 4G, growing data consumption, adoption of 5G and international roaming), while subs base was up 0.1% QoQ/ 2% YoY to 28.1mn. Underlying mobile revenue grew 3% YoY to INR 20.8bn (comparable to Bharti Airtel's mobile revenue - up 2.9% QoQ) while other mobile revenue dipped 45% QoQ to INR 1.1bn. BHL's revenue has seasonality due to Rajasthan circle (80% of BHL revenue), which attracts more tourists during the second half of the year; and external situation.

Churn rate rose to 2.4% (vs. 1.8% in Q4FY25) and gross subs add was 2.01mn (vs. 2.02mn in Q4FY25). Data subs stood at 21.8mn, and net add was 0.28mn (+1.3% QoQ/ 6.8% YoY). Total minutes dipped 2% QoQ/ +4.5% YoY to 93bn mins, and data usage rose 8.3% QoQ/ 23.8% YoY to 1,912bn MB.

Home services (FTTH) revenue grew 10.6% QoQ/ 38% YoY to INR 784mn aided by 53.7k subs net add (+12% QoQ/ 56.3% YoY) on strong proposition for FWA. Company believes N.E. circles will particularly benefit from expansion in FWA due to demographics. ARPU dipped 1.1% QoQ/ 5.6% YoY to INR 485, as more new subs are coming in base plan.

**Financial Summary**

Y/E March (INR mn)	FY24A	FY25A	FY26E	FY27E
Net Revenue	70,888	85,479	94,713	1,13,061
EBITDA	33,612	41,972	49,542	63,429
EBITDA Margin (%)	47.4	49.1	52.3	56.1
Net Profit	8,074	13,342	17,079	26,856
EPS (INR)	16.1	26.7	34.2	53.7
EPS % Chg YoY	(8.2)	196.1	14.3	57.2
P/E (x)	178.0	60.1	52.6	33.4
EV/EBITDA (x)	28.1	22.3	18.6	14.2
RoCE (%)	10.7	17.6	20.8	28.7
RoE (%)	11.4	28.3	26.6	35.7

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**Market Data**

Market Cap (INR)	898bn
Market Cap (USD)	10,228mn
Bloomberg Code	BHARTIHE IN
Reuters Code	BHAX.BO
52-week Range (INR)	2,053 /1,058
Free Float (%)	15.0
ADTV-3M (mn) (USD)	7.3

Price Performance (%)	3m	6m	12m
Absolute	6.1	37.0	64.4
Relative to Sensex	6.2	33.8	61.9

ESG Score	2023	2024	Change
ESG score	NA	NA	NA
Environment	NA	NA	NA
Social	NA	NA	NA
Governance	NA	NA	NA

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Earnings Revisions (%)	FY26E	FY27E
Revenue	(2.7)	(2.3)
EBITDA	(1.2)	(0.9)
EPS	(5.9)	(3.8)

**Previous Reports**

15-05-2025: [Q4FY25 results review](#)

09-02-2025: [Q3FY25 results review](#)

**EBITDAaL up 0.9% QoQ/ 39.2% YoY to INR 10bn**

EBITDAaL margin stood at 45.2% (+90bp). Network cost rose 9.7% QoQ/ 11.7% YoY to INR 5.2bn though MBB cell site was flattish QoQ/ +1.7% YoY. Access charges dipped 26.2% YoY to INR 1.6bn. SG&A cost rose 29% YoY to INR 1.9bn, and was higher due to certain costs related to USOF sites. Employee cost fell 51.3% QoQ/ 29.3% YoY and had certain reversal from provision of Q4FY25. D&A cost rose 6.4% YoY (dipped 0.7% QoQ) to INR 5.3bn on charging 5G-related capex and spectrum (including the recently bought spectrum) to P&L. Therefore, BHL's EBIT declined 0.5% QoQ/ +66.6% YoY to INR 6.3bn. Net profit fell to INR 3.9bn vs. INR 4.7bn in Q4FY25. Tax rate was higher at 25.7%, while Q4FY25 had reversal of deferred tax.

**Strong FCF generation**

Operating cashflow after lease and finance cost stood at INR 9.4bn, up 29.3% QoQ/ 53.8% YoY which is strong. Cash capex stood at INR 2.9bn; however, the company has INR 2.5bn of working capital release, which aided FCF to INR 9bn (vs. INR 7.1bn in Q4FY25, which had working capital release of INR 1.9bn).

Capitalised capex stood at INR 2.3bn in Q1FY26 (10% of revenue). Net debt decreased by INR 8.8bn to INR 28bn.

**Risks**

- **Downside risks:** 1) Market share loss in mobile business, and 2) rise in competitive and regulatory intensities.
- **Upside risks:** 1) Higher than expected tariff hike, and 2) continued rise in market share in mobile and home businesses.

**Exhibit 1: Bharti Hexacom (consolidated)**

INR mn	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	QoQ (%)	YoY (%)
<b>Revenue</b>	<b>19,106</b>	<b>20,976</b>	<b>22,507</b>	<b>22,890</b>	<b>22,630</b>	<b>(1.1)</b>	<b>18.4</b>
Network operation cost	4,674	4,764	4,853	4,756	5,219	9.7	11.7
% of revenue	24.5	22.7	21.6	20.8	23.1		
Roaming & access charges	2,209	2,238	2,304	2,468	1,630	(34.0)	(26.2)
% of revenue	11.6	10.7	10.2	10.8	7.2		
License fees and spect charges	1,734	1,923	2,074	2,093	2,114	1.0	21.9
% of revenue	9.1	9.2	9.2	9.1	9.3		
Employee cost	297	322	292	431	210	(51.3)	(29.3)
% of revenue	1.6	1.5	1.3	1.9	0.9		
SGA and other exp	1,434	1,710	1,467	1,464	1,850	26.4	29.0
% of revenue	7.5	8.2	6.5	6.4	8.2		
<b>EBITDA</b>	<b>8,758</b>	<b>10,019</b>	<b>11,517</b>	<b>11,678</b>	<b>11,607</b>	<b>(0.6)</b>	<b>32.5</b>
EBITDA margin (%)	45.8	47.8	51.2	51.0	51.3		
<b>EBITDAaL</b>	<b>7,346</b>	<b>8,563</b>	<b>9,995</b>	<b>10,136</b>	<b>10,224</b>	<b>0.9</b>	<b>39.2</b>
EBITDAaL margin (%)	38.4	40.8	44.4	44.3	45.2		
Depreciation and amortisation	4,957	5,361	5,315	5,312	5,273	(0.7)	6.4
<b>EBIT</b>	<b>3,801</b>	<b>4,658</b>	<b>6,202</b>	<b>6,366</b>	<b>6,334</b>	<b>(0.5)</b>	<b>66.6</b>
Interest	1,615	1,754	1,802	1,712	1,541	(10.0)	(4.6)
Other income	399	491	450	478	475	(0.6)	19.0
<b>PBT</b>	<b>2,585</b>	<b>3,395</b>	<b>4,850</b>	<b>5,132</b>	<b>5,268</b>	<b>2.7</b>	<b>103.8</b>
Provision for tax	656	864	1,184	448	1,352	201.8	106.1
Effective tax rate	25.4	25.4	24.4	8.7	25.7		
Exceptional gain/ (loss)	(3,183)	-	1,057	-	-		
<b>Net income (reported)</b>	<b>5,112</b>	<b>2,531</b>	<b>2,609</b>	<b>4,684</b>	<b>3,916</b>	<b>(16.4)</b>	<b>(23.4)</b>
<b>EPS (INR)</b>	<b>10.2</b>	<b>5.1</b>	<b>5.2</b>	<b>9.4</b>	<b>7.8</b>	<b>(16.4)</b>	<b>(23.4)</b>

Source: I-Sec research, Company data; Note: EBITDAaL is adjusted for other income and charity &amp; donation

**Exhibit 2: Segmental performance - mobile business EBITDA up 33.5% YoY/ down 0.4% QoQ**

INR mn	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	QoQ (%)	YoY (%)
<b>Mobile services</b>							
Revenue	18,604	20,433	21,931	22,249	21,916	(1.5)	17.8
Expenses	9,676	10,157	10,190	10,280	9,993	(2.8)	3.3
<b>EBITDA</b>	<b>8,928</b>	<b>10,276</b>	<b>11,741</b>	<b>11,969</b>	<b>11,923</b>	<b>(0.4)</b>	<b>33.5</b>
EBITDA (%)	48.0	50.3	53.5	53.8	54.4		
D&A	4,825	5,232	5,145	5,216	5,164	(1.0)	7.0
EBIT	4,103	5,044	6,596	6,753	6,759	0.1	64.7
EBIT (%)	22.1	24.7	30.1	30.4	30.8		
<b>Home &amp; office services</b>							
Revenue	568	599	645	709	784	10.6	38.0
Expenses	379	411	448	476	535	12.4	41.1
<b>EBITDA</b>	<b>189</b>	<b>188</b>	<b>197</b>	<b>233</b>	<b>249</b>	<b>6.9</b>	<b>31.7</b>
EBITDA (%)	33.3	31.4	30.6	32.9	31.8		
D&A	132	129	170	220	235	6.8	78.0
EBIT	57	59	27	13	14	7.7	(75.4)
EBIT (%)	10.0	9.8	4.2	1.8	1.8		

Source: I-Sec research, Company data

**Exhibit 3: Mobile services KPIs – ARPU up 2% QoQ/ 20.3% YoY**

	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	QoQ (%)	YoY (%)
Subscribers (mn)	27.6	27.1	27.6	28.1	28.1	0.1	2.0
Net adds (mn)	0.26	(0.47)	0.49	0.51	0.02		
Blended churn (%)	2.5	3.2	1.9	1.8	2.4		
ARPU (INR)	205	228	241	242	246	2.0	20.3
Minutes of Use (min/subs)	1,086	1,098	1,150	1,139	1,107	(2.8)	2.0
Minutes on Network (mn)	89,426	89,920	94,379	95,294	93,432	(2.0)	4.5
Incremental mins (QoQ, mn)	(1,457)	495	4,458	915	(1,862)		
2G cell sites	25,972	26,172	26,335	26,497	26,490	(0.0)	2.0

Source: I-Sec research, Company data

**Exhibit 4: Data services KPIs – data subs up 1.3% QoQ/ 6.8% YoY**

	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	QoQ (%)	YoY (%)
<b>Data</b>							
Data subs (mn)	20.5	20.6	21.0	21.6	21.8	1.3	6.8
Net adds (mn)	0.69	0.13	0.45	0.53	0.28		
As % of total subs	74.1	75.9	76.2	76.7	77.6		
Data usage per sub (MB)	25,678	25,934	26,210	27,740	29,397	6.0	14.5
Data volume (mn MB)	15,44,921	15,97,832	16,33,360	17,65,267	19,12,332	8.3	23.8
Incremental data (QoQ, mn MB)	1,14,980	52,912	35,528	1,31,907	1,47,065		
Smartphone data subs (mn)	20.5	20.6	21.0	21.6	21.8	1.3	6.8
Net adds (mn)	0.69	0.13	0.45	0.53	0.28		
MBB cell sites	80,500	80,907	81,340	81,840	81,874	0.0	1.7
Net adds	665	407	433	500	34		

Source: I-Sec research, Company data

**Exhibit 5: Home services KPIs – subs growth remains strong 12% QoQ/ 56.3% YoY**

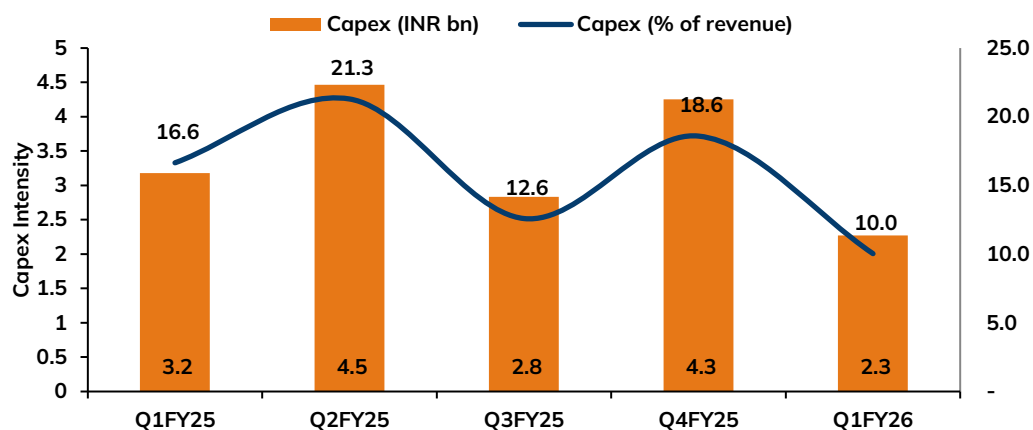
	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	QoQ (%)	YoY (%)
<b>Home subs ('000)</b>	<b>321</b>	<b>351</b>	<b>395</b>	<b>448</b>	<b>502</b>	<b>12.0</b>	<b>56.3</b>
Net add ('000)	16.2	30.2	44.0	52.7	53.7		
<b>ARPU</b>	<b>514</b>	<b>509</b>	<b>499</b>	<b>490</b>	<b>485</b>	<b>(1.1)</b>	<b>(5.6)</b>
Growth (% qoq)	(1.5)	(0.9)	(2.0)	(1.8)	(1.1)		

Source: I-Sec research, Company data

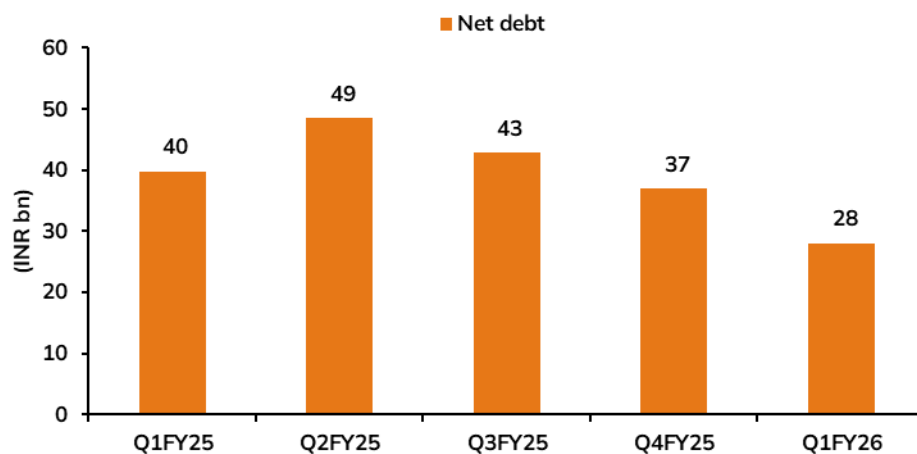
**Exhibit 6: Cashflow analysis**

INR mn	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	QoQ (%)	YoY (%)
Operating cashflow	8,610	8,569	10,207	9,577	10,963	14.5	27.3
Less: Lease cost	(755)	(750)	(1,004)	(953)	(914)		
Interest expenses	(1,728)	(1,661)	(671)	(1,335)	(625)		
<b>Operating cashflow</b>	<b>6,127</b>	<b>6,158</b>	<b>8,532</b>	<b>7,289</b>	<b>9,424</b>	<b>29.3</b>	<b>53.8</b>
Less Capex	(4,728)	(3,787)	(3,969)	(2,073)	(2,911)		
<b>FCF</b>	<b>1,399</b>	<b>2,371</b>	<b>4,563</b>	<b>5,216</b>	<b>6,513</b>		
Change in working capital	4,475	1,826	631	1,932	2,474		
<b>Cashflow available for debt payment</b>	<b>5,874</b>	<b>4,197</b>	<b>5,194</b>	<b>7,148</b>	<b>8,987</b>	<b>25.7</b>	<b>53.0</b>

Source: I-Sec research, Company data

**Exhibit 7: Capex intensity at 10% of revenue**

Source: I-Sec research, Company data

**Exhibit 8: Net debt fell by INR 8.8bn to INR 28bn in Q1FY26**

Source: I-Sec research, Company data

**Exhibit 9: EV/EBITDA based valuation**

	FY27E
EBITDA (INR mn)	55,161
EV/EBITDA multiple	16.0
Enterprise value (INR mn)	8,82,581
Net debt (INR mn)	1,664
Equity value (INR mn)	8,80,917
No of outstanding shares (mn)	500
Value per share (INR)	1,760

Source: I-Sec research, Company data

## Exhibit 10: Earnings revision

INR mn	New		Old		Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
<b>KPI's</b>						
Subs (mn)	29	30	29	30	-	-
ARPU (INR)	251	290	251	290	-	-
<b>Financial (INR mn)</b>						
Revenue	94,713	1,13,061	97,369	1,15,770	(2.7)	(2.3)
EBITDA	49,542	63,429	50,138	63,980	(1.2)	(0.9)
EBITDA margin (%)	52.3	56.1	51.5	55.3		
PAT	17,079	26,856	18,147	27,917	(5.9)	(3.8)
EPS (INR)	34.2	53.7	36.3	55.8	(5.9)	(3.8)

Source: I-Sec research, Company data

## Financials

### Exhibit 11: KPIs

	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	CAGR (% FY25-27E)
<b>Mobile business</b>									
Subs (mn)	22.8	25.0	24.8	25.8	27.3	28.1	29.1	29.9	3.1
Net add (mn)	3.38	2.16	(0.21)	1.06	1.51	0.79	1.00	0.80	
Data subs (mn)		13.9	15.4	17.3	19.8	21.6	23.6	25.4	8.5
Net add (mn)			1.49	1.95	2.44	1.79	2.00	1.80	
% of total		55.6	62.1	67.1	72.3	76.7	80.9	84.8	
ARPU (Rs)	103	135	155	185	198	227	251	290	13.1
Growth (%)	(1.9)	31.2	14.8	19.4	7.2	14.6	10.5	15.7	
<b>Home business</b>									
Subs ('000)	38	70	131	219	305	448	734	1006	49.8
Net add ('000)		32	61	88	86	143	286	272	
ARPU (Rs)		774	683	598	542	482	472	472	(1.0)
Growth (%)			(11.8)	(12.4)	(9.4)	(11.1)	(2.0)	-	

Source: I-Sec research, Company data

### Exhibit 12: P&L

INR mn	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	CAGR (%, FY25-27E)
Mobile revenue	38,225	45,451	53,241	64,624	69,211	83,217	91,298	1,08,110	14.0
Home revenue	581	723	1,076	1,543	2,059	2,521	3,700	5,287	44.8
<b>Revenues</b>	<b>38,741</b>	<b>46,023</b>	<b>54,052</b>	<b>65,790</b>	<b>70,888</b>	<b>85,479</b>	<b>94,713</b>	<b>1,13,061</b>	<b>15.0</b>
Growth (%)	7.2	18.8	17.4	21.7	7.7	20.6	10.8	19.4	
Network opex	12,637	14,279	14,862	15,863	16,849	19,047	20,542	22,113	7.7
Other expenses	21,118	21,220	21,050	22,070	20,427	24,460	24,629	27,519	6.1
<b>Total expenses</b>	<b>33,755</b>	<b>35,499</b>	<b>35,912</b>	<b>37,933</b>	<b>37,276</b>	<b>43,507</b>	<b>45,171</b>	<b>49,632</b>	<b>6.8</b>
Growth (%)	(6.2)	5.2	1.2	5.6	(1.7)	16.7	3.8	9.9	
EBITDA (reported)	4,986	10,524	18,140	27,857	33,612	41,972	49,542	63,429	22.9
<b>EBITDA (adj Ind AS)</b>	<b>1,693</b>	<b>6,966</b>	<b>14,159</b>	<b>22,521</b>	<b>27,373</b>	<b>34,946</b>	<b>41,914</b>	<b>55,161</b>	<b>25.6</b>
EBITDA margin (%)	4.4	15.1	26.2	34.2	38.6	40.9	44.3	48.8	
Inc. EBITDA (%)	59.3	72.4	89.6	71.2	95.2	51.9	75.5	72.2	
Growth (%)	1,036.2	311.5	103.3	59.1	21.5	27.7	19.9	31.6	
Depreciation	12,497	12,852	14,410	15,533	17,392	20,945	21,908	22,924	4.6
<b>EBIT</b>	<b>(7,511)</b>	<b>(2,328)</b>	<b>3,730</b>	<b>12,324</b>	<b>16,220</b>	<b>21,027</b>	<b>27,634</b>	<b>40,505</b>	<b>38.8</b>
Other income	296	1,020	888	1,402	2,487	1,818	1,909	2,004	
Finance cost	5,260	5,166	5,718	6,388	6,444	6,883	6,710	6,606	
<b>PBT</b>	<b>(12,475)</b>	<b>(6,474)</b>	<b>(1,100)</b>	<b>7,338</b>	<b>12,263</b>	<b>15,962</b>	<b>22,833</b>	<b>35,904</b>	<b>50.0</b>
Tax	(7,183)	448	1,665	1,846	4,189	3,152	5,754	9,048	69.4
Exceptional item	21,873	3,417	(19,511)	-	3,030	(2,126)	-	-	
<b>Adj. PAT</b>	<b>(10,760)</b>	<b>(7,776)</b>	<b>2,113</b>	<b>5,492</b>	<b>8,074</b>	<b>13,342</b>	<b>17,079</b>	<b>26,856</b>	<b>41.9</b>
<b>Adj. EPS</b>	<b>(21.5)</b>	<b>(15.6)</b>	<b>4.2</b>	<b>11.0</b>	<b>16.1</b>	<b>26.7</b>	<b>34.2</b>	<b>53.7</b>	<b>41.9</b>
Growth (%)	35.8	(27.7)	(127.2)	159.9	47.0	65.2	28.0	57.2	

Source: I-Sec research, Company data

**Exhibit 13: Balance sheet parameters**

	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	CAGR (% FY25-27E)
<b>Capital productivity</b>									
Fixed assets	84,870	88,276	86,012	85,351	1,07,554	1,16,686	1,14,408	1,12,251	(1.9)
FA turnover (x)	0.5	0.5	0.6	0.8	0.7	0.7	0.8	1.0	
Capex	675	13,092	5,562	10,195	12,987	7,085	15,000	15,750	49.1
Intensity (% of rev)	1.7	28.4	10.3	15.5	18.3	8.3	15.8	13.9	
Capex/ dep (ex lease)	0.07	1.24	0.47	0.83	0.96	0.42	0.87	0.88	
CWIP	1,104	707	641	19,360	4,445	2,973	2,973	2,973	-
Right of use	13,858	14,761	16,324	26,390	28,596	30,643	30,643	30,643	-
Capital employed	82,109	79,612	1,08,588	1,04,788	94,733	97,120	1,01,774	1,09,268	6.1
Pre-tax ROCE (%)	(8.9)	(2.9)	4.0	11.6	16.3	21.9	27.8	38.4	
<b>Leverage</b>									
Gross debt	51,909	59,752	71,983	62,693	48,346	37,799	32,799	27,799	(14.2)
of which govt. dues	-	-	-	28,299	28,938	29,626	-	-	
Net debt	42,597	59,160	70,284	51,346	45,227	36,690	22,009	1,664	
ND/EBITDA (x)	8.5	5.6	3.9	1.8	1.3	0.9	0.4	0.0	
<b>Working capital (days)</b>									
Inventory	-	-	-	-	-	-	-	-	
Receivables	22	11	142	8	23	5	5	5	
Payable	154	176	101	80	76	68	65	62	
Deferred revenue	42	68	60	60	62	60	60	60	
Cash conversion	(175)	(233)	(20)	(131)	(115)	(123)	(121)	(118)	

Source: I-Sec research, Company data

**Exhibit 14: Concise cashflow statement**

	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	CAGR (% FY25-27E)
<b>Cashflow</b>									
Operations cashflow	4,585	11,180	38,568	29,104	34,764	36,963	43,788	54,381	21.3
% of EBITDA	92.0	106.2	212.6	104.5	103.4	88.1	88.4	85.7	
Chg in WC	(7,744)	3,992	(25,988)	21,980	697	8,863	2,749	5,695	(19.8)
Repayment lease	(1,395)	(2,470)	(3,461)	(2,831)	(2,930)	(3,462)	(4,629)	(5,018)	20.4
CFO	(4,554)	12,702	9,119	48,253	32,531	42,364	41,907	55,059	14.0
% of revenue	(11.8)	27.6	16.9	73.3	45.9	49.6	44.2	48.7	
Capex	(4,678)	(14,569)	(13,487)	(9,448)	(20,583)	(14,694)	(15,000)	(15,750)	3.5
FCF	(7,858)	594	(907)	40,315	14,526	20,517	31,536	44,326	47.0
Finance cost	(3,070)	(3,409)	(2,823)	(3,855)	(5,356)	(5,395)	(6,710)	(6,606)	10.7
FCF (after int)	(10,928)	(2,815)	(3,730)	36,460	9,170	15,122	24,827	37,720	57.9
Spectrum payment	(21)	(9)	-	(1,321)	(352)	(10,615)	-	-	
<b>Ratios</b>									
Dividend (INR/sh)	-	-	-	-	4	10	15	29	
Payout (%)	-	-	-	-	40	33	43	53	
pre-tax ROIC (%)	(9.4)	(3.1)	4.0	12.3	17.5	22.4	29.6	46.5	
ROE (%)	(61.8)	(41.3)	59.3	14.0	11.4	28.3	26.6	35.7	

Source: I-Sec research, Company data



## Peer Comparison

### Exhibit 15: Telecom valuation snapshot

(INR mn)	CMP (INR)	MCap INR bn	Revenue (INR mn)			CAGR (%) FY25-27E	Cash EBITDA (INR)			CAGR (%) FY25-27E
			FY25	FY26E	FY27E		FY25	FY26E	FY27E	
Bharti Airtel	1,930	11,102	1,730	2,029	2,318	15.8	780	904	1,103	18.9
Bharti Hexacom	1,795	898	85	95	113	15.0	35	42	55	25.6
Reliance Jio	-	-	1,141	1,281	1,523	15.5	561	649	830	21.6
Vodafone Idea	6.8	485	436	475	571	14.5	92	100	168	35.1
Tata Comm	1,685	480	231	250	271	8.2	46	51	59	13.2
Indus Towers	341	919	301	335	360	9.3	182	131	141	(12.1)
Railtel Corp	362	116	35	42	48	17.7	5	6	7	11.4

Source: I-Sec research, Company data

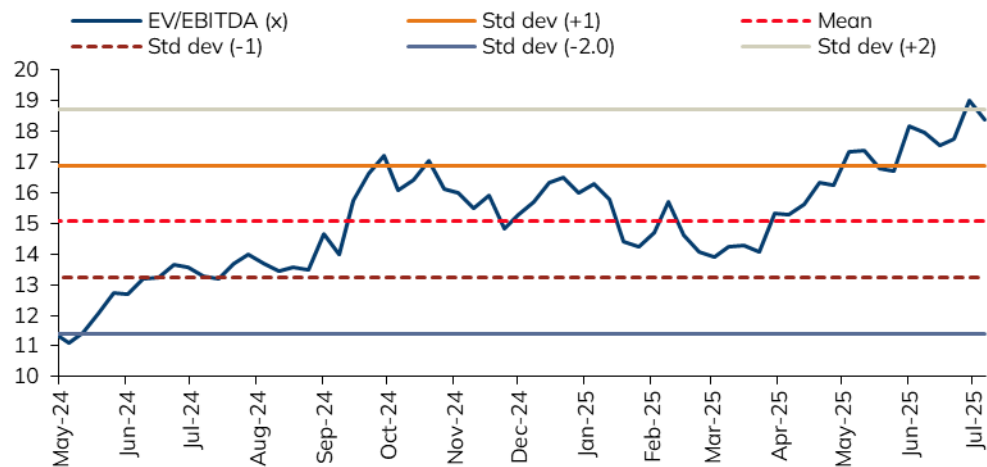
### Exhibit 16: Telecom valuation snapshot

(INR mn)	PE (x)		EV/EBITDA (x)		ROIC (pre-tax)		ND/ cash EBITDA (x)		Capex (ex-spec INR mn)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Bharti Airtel	48.7	31.0	13.3	10.6	15.2	21.6	1.0	0.5	20.3	17.1
Bharti Hexacom	52.6	33.4	21.9	16.3	22.1	34.8	0.5	0.0	15.8	13.9
Reliance Jio					10.2	13.6	2.5	1.9	24.1	19.7
Vodafone Idea			22.7	14.0	(0.9)	4.3	17.9	11.1	42.1	35.0
Tata Comm	30.7	22.5	11.1	9.6	19.4	23.7	1.7	1.4	10.6	10.3
Indus Towers	13.0	11.7	6.8	6.1	15.1	16.4	(0.1)	(0.4)	15.8	9.7
Railtel Corp	33.6	28.8	19.0	16.8	28.3	24.9	(0.9)	(0.7)	8.6	8.2

Source: I-Sec research, Company data

## Band Charts

Exhibit 17: BHL's one-year forward EV/EBITDA



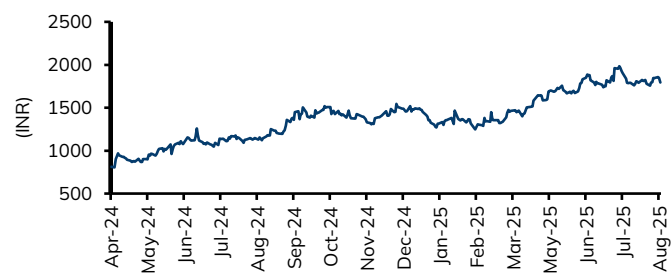
Source: I-Sec research, Bloomberg

Exhibit 18: Shareholding pattern

%	Dec'24	Mar'25	Jun'25
Promoters	70.0	70.0	70.0
Institutional investors	14.2	14.3	14.1
MFs and others	8.2	8.4	8.1
FIs/Banks	0.0	0.0	0.0
Insurance	1.0	1.5	1.6
FIIIs	5.0	4.4	4.4
Others	15.8	15.7	15.9

Source: Bloomberg, I-Sec research

Exhibit 19: Price chart



Source: Bloomberg, I-Sec research

## Financial Summary

### Exhibit 20: Profit & Loss

(INR mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
<b>Net Sales</b>	<b>70,888</b>	<b>85,479</b>	<b>94,713</b>	<b>1,13,061</b>
Operating Expenses	37,276	43,507	45,171	49,632
<b>EBITDA</b>	<b>33,612</b>	<b>41,972</b>	<b>49,542</b>	<b>63,429</b>
EBITDA Margin (%)	4.7	4.9	5.2	5.6
Depreciation & Amortization	17,392	20,945	21,908	22,924
EBIT	16,220	21,027	27,634	40,505
Interest expenditure	6,444	6,883	6,710	6,606
Other Non-operating Income	2,487	1,818	1,909	2,004
<b>Recurring PBT</b>	<b>12,263</b>	<b>15,962</b>	<b>22,833</b>	<b>35,904</b>
<b>Profit / (Loss) from Associates</b>	-	-	-	-
Less: Taxes	4,189	3,152	5,754	9,048
PAT	5,044	14,936	17,079	26,856
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	-	-	-	-
<b>Net Income (Reported)</b>	<b>5,044</b>	<b>14,936</b>	<b>17,079</b>	<b>26,856</b>
<b>Net Income (Adjusted)</b>	<b>8,074</b>	<b>13,342</b>	<b>17,079</b>	<b>26,856</b>

Source Company data, I-Sec research

### Exhibit 21: Balance sheet

(INR mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
Total Current Assets	21,596	18,444	29,324	47,540
of which cash & cash eqv.	743	370	10,051	25,396
Total Current Liabilities & Provisions	55,090	57,136	61,090	70,031
<b>Net Current Assets</b>	<b>(33,494)</b>	<b>(38,692)</b>	<b>(31,766)</b>	<b>(22,490)</b>
Investments	2,376	739	739	739
Net Fixed Assets	1,11,999	1,19,659	1,17,381	1,15,224
ROU Assets	28,596	30,643	30,643	30,643
Capital Work-in-Progress	4,445	2,973	2,973	2,973
Total Intangible Assets	-	-	-	-
Other assets	12,029	12,805	13,621	15,609
Deferred Tax Assets	8,578	10,220	10,220	10,220
<b>Total Assets</b>	<b>1,85,174</b>	<b>1,92,510</b>	<b>2,01,928</b>	<b>2,19,976</b>
<b>Liabilities</b>				
<b>Borrowings</b>	<b>48,346</b>	<b>37,799</b>	<b>32,799</b>	<b>27,799</b>
<b>Deferred Tax Liability</b>	<b>6,817</b>	<b>7,129</b>	<b>7,899</b>	<b>9,429</b>
Provisions	228	263	291	348
Other Liabilities	-	172	183	210
Equity Share Capital	2,500	2,500	2,500	2,500
Reserves & Surplus	43,887	56,821	66,475	78,969
<b>Total Net Worth</b>	<b>46,387</b>	<b>59,321</b>	<b>68,975</b>	<b>81,469</b>
Minority Interest	-	-	-	-
<b>Total Liabilities</b>	<b>1,85,174</b>	<b>1,92,510</b>	<b>2,01,928</b>	<b>2,19,976</b>

Source Company data, I-Sec research

### Exhibit 22: Quarterly trend

(INR mn, year ending March)

	Sep-24	Dec-24	Mar-25	Jun-25
Net Sales	20,976	22,507	22,890	22,630
% growth (YOY)	20.7	25.0	22.5	18.4
EBITDA	10,019	11,517	11,678	11,607
Margin %	47.8	51.2	51.0	51.3
Other Income	491	450	478	475
Extraordinaries	-	1,057	-	-
Adjusted Net Profit	2,531	2,609	4,684	3,916

Source Company data, I-Sec research

### Exhibit 23: Cashflow statement

(INR mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
<b>Operating Cashflow</b>	<b>34,764</b>	<b>36,963</b>	<b>43,788</b>	<b>54,381</b>
Working Capital Changes	697	8,863	2,749	5,695
Capital Commitments	(20,935)	(25,309)	(15,000)	(15,750)
<b>Free Cashflow</b>	<b>14,526</b>	<b>20,517</b>	<b>31,536</b>	<b>44,326</b>
<b>Other investing cashflow</b>	<b>9,384</b>	<b>1,903</b>	<b>1,909</b>	<b>2,004</b>
Cashflow from Investing Activities	9,384	1,903	1,909	2,004
Issue of Share Capital	-	-	-	-
Interest Cost	(5,356)	(5,395)	(6,710)	(6,606)
Inc (Dec) in Borrowings	(15,000)	(11,790)	(5,000)	(5,000)
Dividend paid	(750)	(2,000)	(7,425)	(14,362)
Others	-	-	-	-
Cash flow from Financing Activities	(24,036)	(22,647)	(23,765)	(30,985)
<b>Chg. in Cash &amp; Bank balance</b>	<b>(126)</b>	<b>(227)</b>	<b>9,681</b>	<b>15,346</b>
Closing cash & balance	398	171	10,051	25,396

Source Company data, I-Sec research

### Exhibit 24: Key ratios

(Year ending March)

	FY24A	FY25A	FY26E	FY27E
<b>Per Share Data (INR)</b>				
Reported EPS	10.1	29.9	34.2	53.7
Adjusted EPS (Diluted)	16.1	26.7	34.2	53.7
Cash EPS	43.2	60.0	68.7	89.5
Dividend per share (DPS)	4.0	10.0	14.9	28.7
Book Value per share (BV)	92.8	118.6	137.9	162.9
Dividend Payout (%)	39.7	33.5	43.5	53.5
<b>Growth (%)</b>				
Net Sales	7.7	20.6	10.8	19.4
EBITDA	20.7	24.9	18.0	28.0
EPS (INR)	(8.2)	196.1	14.3	57.2
<b>Valuation Ratios (x)</b>				
P/E	178.0	60.1	52.6	33.4
P/CEPS	41.5	29.9	26.1	20.1
P/BV	19.4	15.1	13.0	11.0
EV / EBITDA	28.1	22.3	18.6	14.2
EV / Sales	13.3	10.9	9.7	8.0
Dividend Yield (%)	0.2	0.6	0.8	1.6
<b>Operating Ratios</b>				
Gross Profit Margins (%)	-	-	-	-
EBITDA Margins (%)	47.4	49.1	52.3	56.1
Effective Tax Rate (%)	34.2	19.7	25.2	25.2
Net Profit Margins (%)	7.1	17.5	18.0	23.8
NWC / Total Assets (%)	(18.1)	(20.1)	(15.7)	(10.2)
Net Debt / Equity (x)	1.0	0.6	0.3	0.0
Net Debt / EBITDA (x)	1.3	0.9	0.4	0.0
<b>Profitability Ratios</b>				
RoCE (%)	10.7	17.6	20.8	28.7
RoE (%)	11.4	28.3	26.6	35.7
RoIC (%)	11.5	18.0	22.1	34.8
Fixed Asset Turnover (x)	0.6	0.7	0.8	1.0
Inventory Turnover Days	-	-	-	-
Receivables Days	22.9	4.6	4.6	4.6
Payables Days	76.5	67.7	65.0	62.4

Source Company data, I-Sec research

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