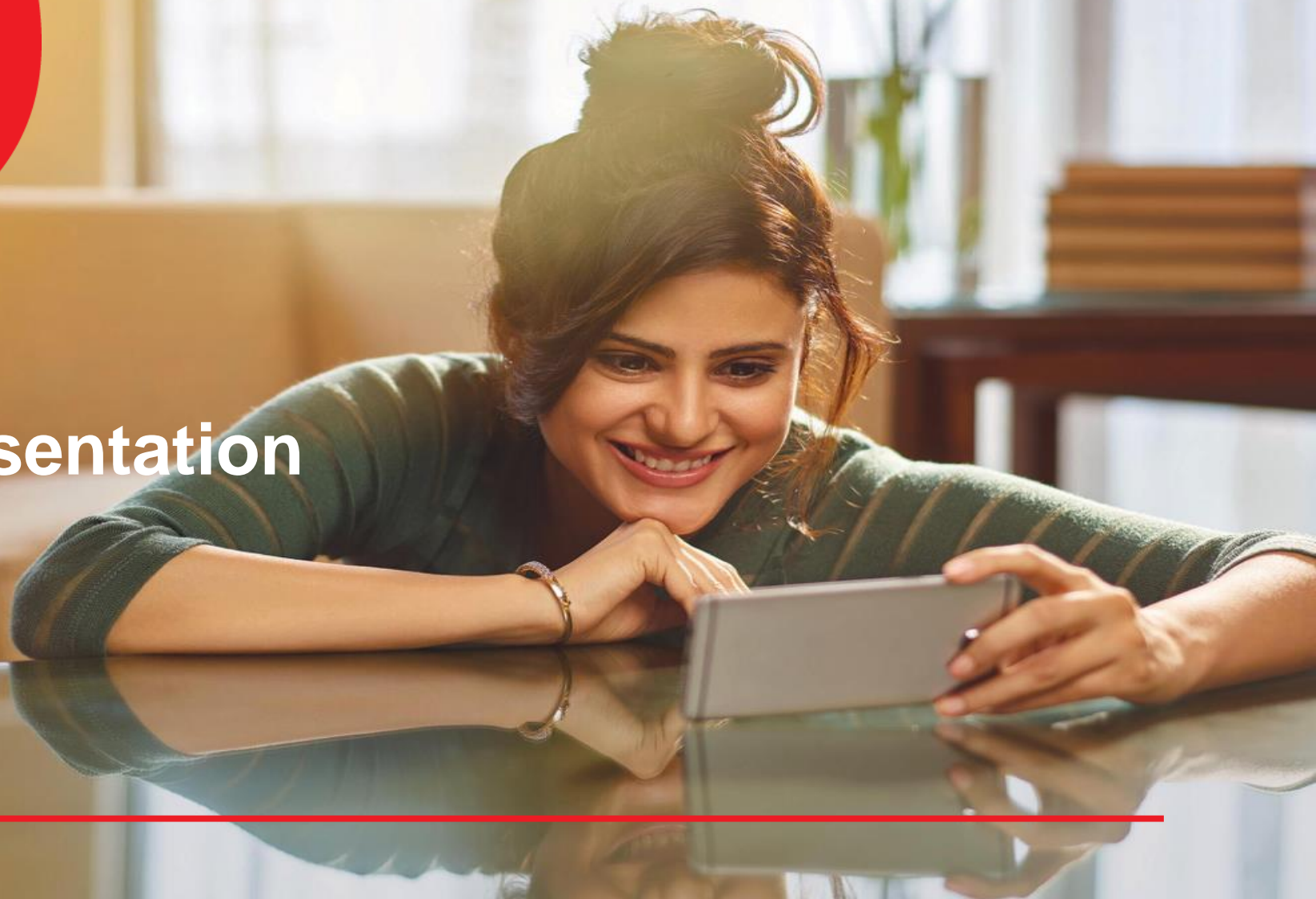




**Bharti Airtel**

**Investor Presentation  
March 2019**



# Bharti Airtel: Who Are We

**Second**  
largest telecom  
operator in the  
world<sup>1</sup>

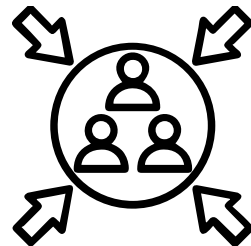
Presence in  
**18**  
countries<sup>2</sup> serving over  
**404 mn** customers

Highest standards of  
Corporate  
Governance – ranked  
**#1** by Transparency  
International

## Our Guiding Strategy

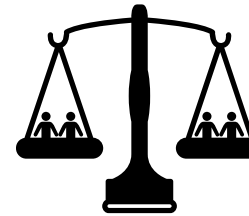
### Customer Centricity

Win customers  
through differentiated  
products and world  
class technology



### Performance Excellence

Accelerate non-mobile  
business, grow market  
share and strip out  
waste



### Transparency and Ethical Governance

Highest Corporate  
Governance and  
disclosure rankings

Sources – 1. GSMA Intelligence 2. Including JVs

# Bharti Airtel: Investment Rationale



1

Presence in underpenetrated markets of India and Africa with large residual opportunity

2

Leading operator with scale and diversified businesses across markets

3

Bulk investments already in place; best in class spectrum bank in markets of operations

4

Demonstrated superior execution capabilities

5

Strong balance sheet enabling ample headroom for expansion

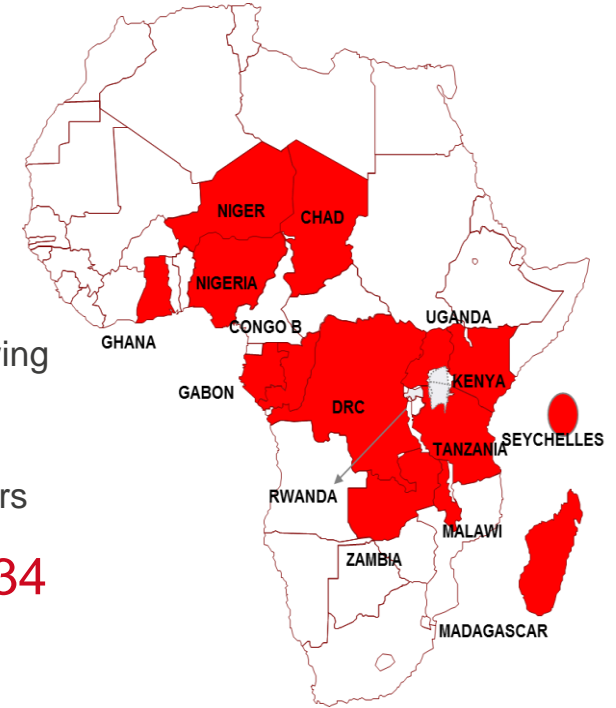
6

Experienced management, diversified board, marquee partners and shareholders

# India & Africa - Mobile Market



- **2<sup>nd</sup>** largest telecom market in the world
- **2<sup>nd</sup>** largest smartphone market in the world
- **2<sup>nd</sup>** highest internet users in the world
- **2<sup>nd</sup>** largest enterprise & SMB market in the world



- **One of the fastest** growing economic zone in the world
- **444 Million<sup>2</sup>** mobile subscribers in 2017. Expected to grow to **634 Million** by 2025.
- **Mobile broadband connections<sup>3</sup>** to grow from **38% in 2017 to 87%** by 2025.
- **Median age<sup>4</sup>** in Africa, expected to be **19.8 by** 2020

Source 1: IMF 2,3: GSMA Sub Saharan Africa Report 2018, Source 4: World Population Prospect Interactive Data

# Opportunity in Indian Telecom

## WIRELESS

- 1.3 bn population
- ~0.7 bn unique wireless customers
- Rural Tele-Density ~ 59.15%<sup>1</sup>

## WIRELESS DATA

- ~42.5%<sup>2</sup> Mobile Broadband Penetration
- Mobile data<sup>3</sup> traffic to grow 6-fold from 2017 to 2022

## WIRED BROADBAND

- 250mn households
- < 10% connected
- Household disposable income rising

## ENTERPRISES

- 1.5 mn SMB/Enterprises
- < 10% connectivity

## MOBILE BANKING

- Cash based economy
- 65% consumer transaction by value in cash

## DTH AND CABLE

- 250 mn households
- Digital Cable/ DTH subscribers~ 100 mn<sup>4</sup>

Source: 1 & 2 – Telecom Subscription Report, TRAI, 3- VNI Mobile Forecast Highlights, 2017-2022, 4- BofA Merrill Lynch Global Research,

# Opportunity in African Telecom

## WIRELESS

- 1.2 Bn Population (Airtel Africa covers ~600 Mn Population)
- Median age < 25

## SMARTPHONE PENETRATION<sup>1</sup>

- Mobile Broadband Connections to reach 87% of total connections by 2025
- 690 million smartphones by 2025

## MOBILE BANKING<sup>2</sup>

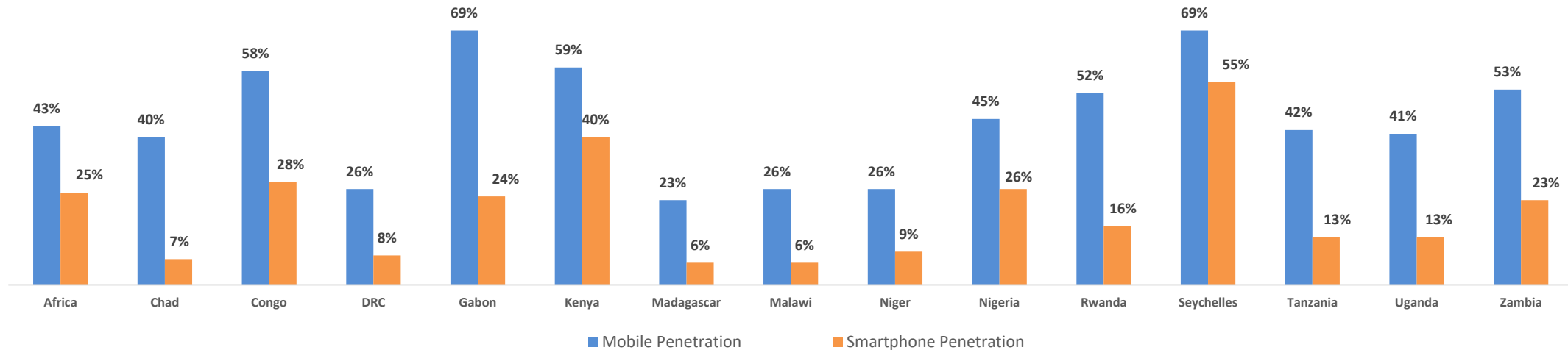
- Banking Penetration low
- Mobile money services predominant in most countries

## DATA TRAFFIC<sup>3</sup>

- Mobile data traffic expected to see a more than 10-fold increase by 2023

Average Mobile Penetration: 45%

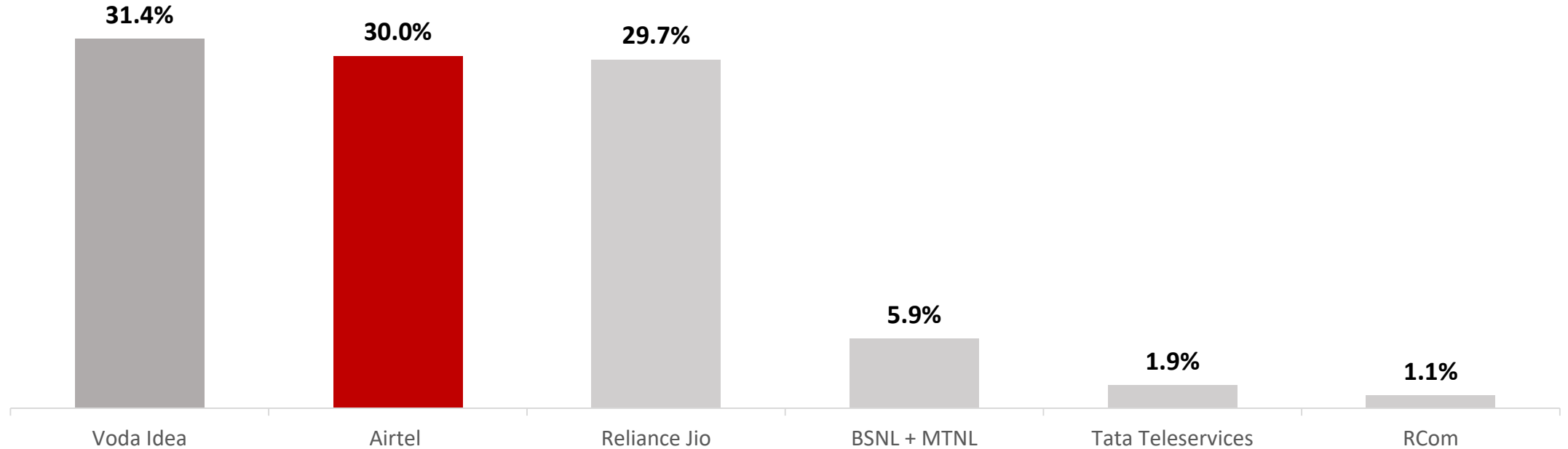
Average Smartphone Penetration: 20%



Source 1, 2 & 3 : GSMA Sub Saharan Africa Data – 2017 & 2018

# No. 2 operator in India Revenue Market Share<sup>1</sup>

~\$18.5 Bn Indian Telecom Industry  
1.176 Bn total wireless subscribers in India



1. #2 operator after merger of Vodafone and Idea. RMS is calculated on the basis of adjusted gross revenues including AGR NLD. Source: TRAI
2. RMS is as of Q3'19
3. Airtel + Telenor merged. Tata approval pending.
4. RCOM and Aircel folded their wireless operations in Nov 2017 & March 2018 respectively.

# Leading presence in Africa

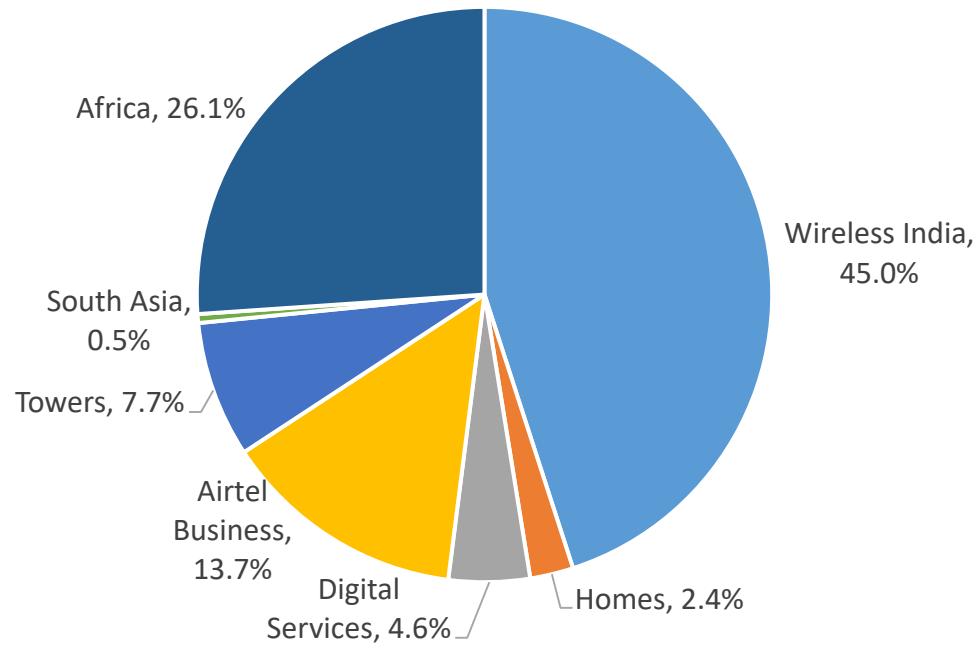
Country	Market size	Key Telecom operators	Our Position	Airtel RMS %	EBITDA range	Key competitors
	(mn \$)					
Zambia	480	3	2	>40%	>40%	MTN
Niger	330	3	1	>40%	<20%	Orange
Malawi	250	2	1	>40%	>40%	TNM
Madagascar	170	3	1	30-40%	<20%	Orange, Telma
Nigeria	4,710	6	2	20-30%	>40%	MTN
Kenya	2,500	3	2	<10%	<20%	Safaricom
Uganda	780	5	2	>40%	>40%	MTN
Congo B	375	3	2	>40%	20-30%	MTN
Gabon	350	3	2	>40%	>40%	Maroc
Chad	274	3	2	>40%	20-30%	Tigo
Rwanda	165	2	2	30-40%	<20%	MTN
Seychelles	55	2	2	>40%	>40%	C & W
DRC	990	4	3	20-30%	>40%	Voda, Orange
Tanzania	1,040	5	3	20-30%	<20%	Vodacom, Tigo

Source: Company Presentations



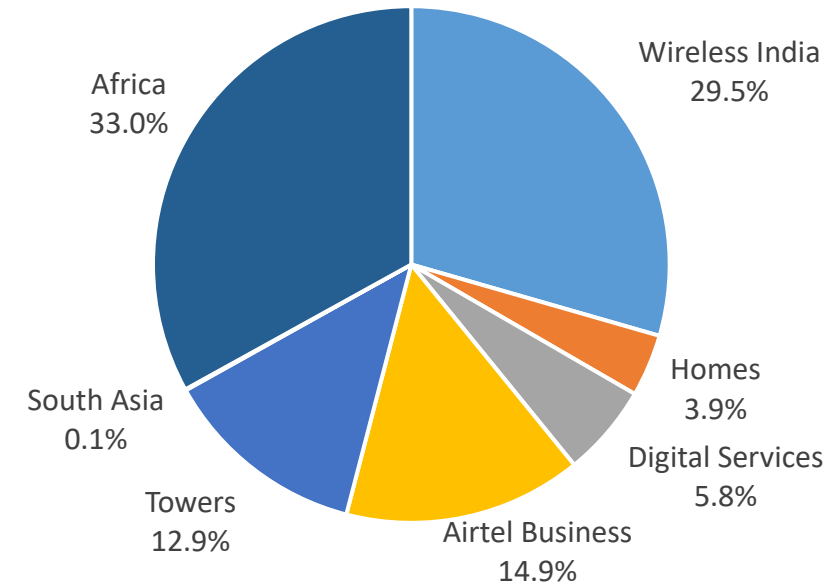
# Diversified portfolio

Revenue Split by segments<sup>1</sup>



✓ As of Q3'19 Non-Mobile Business\* comprise of 31.3 % of Total Revenues (~30.4% as of Q3'18)

EBITDA Split by segments



✓ As of Q3'19 Non-Mobile Business\* comprise of 39.3 % of EBITDA (~35.3% as of Q3'18)

1. Excludes others and eliminations.

\* Non Mobile Businesses include Homes, DTH, Airtel Business and Towers..

# Investing for growth – Spectrum Holding

## Airtel's Spectrum

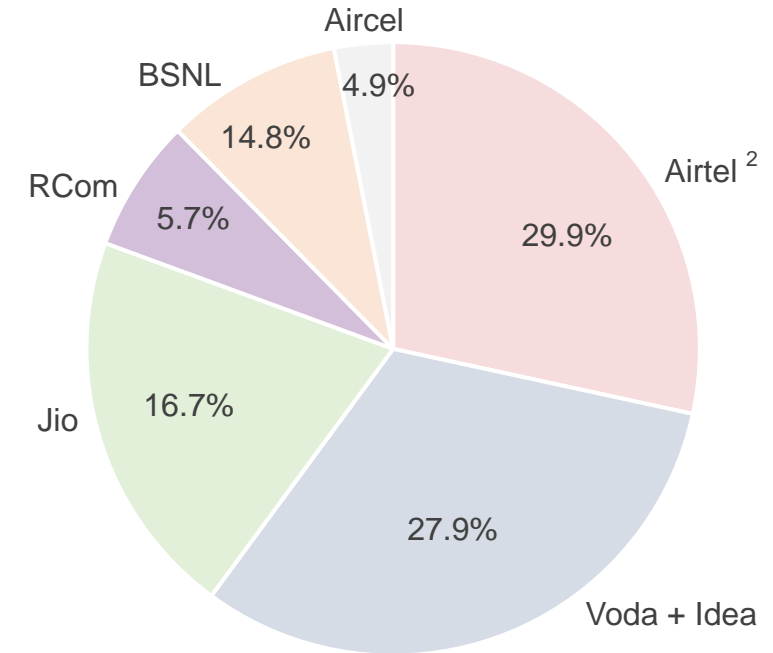
<u>Band</u>	<u>Footprint</u>	<u>Holding per Circle</u>
Low Band	15 Circles	5 – 10 Mhz
Mid Band	Pan India	15 – 25 Mhz <sup>1</sup>
High Band	Pan India	20 – 30 Mhz

1. Except for Kolkata (9 Mhz) and West Bengal (6.2 Mhz)

2. Includes liberalized spectrum of Tata

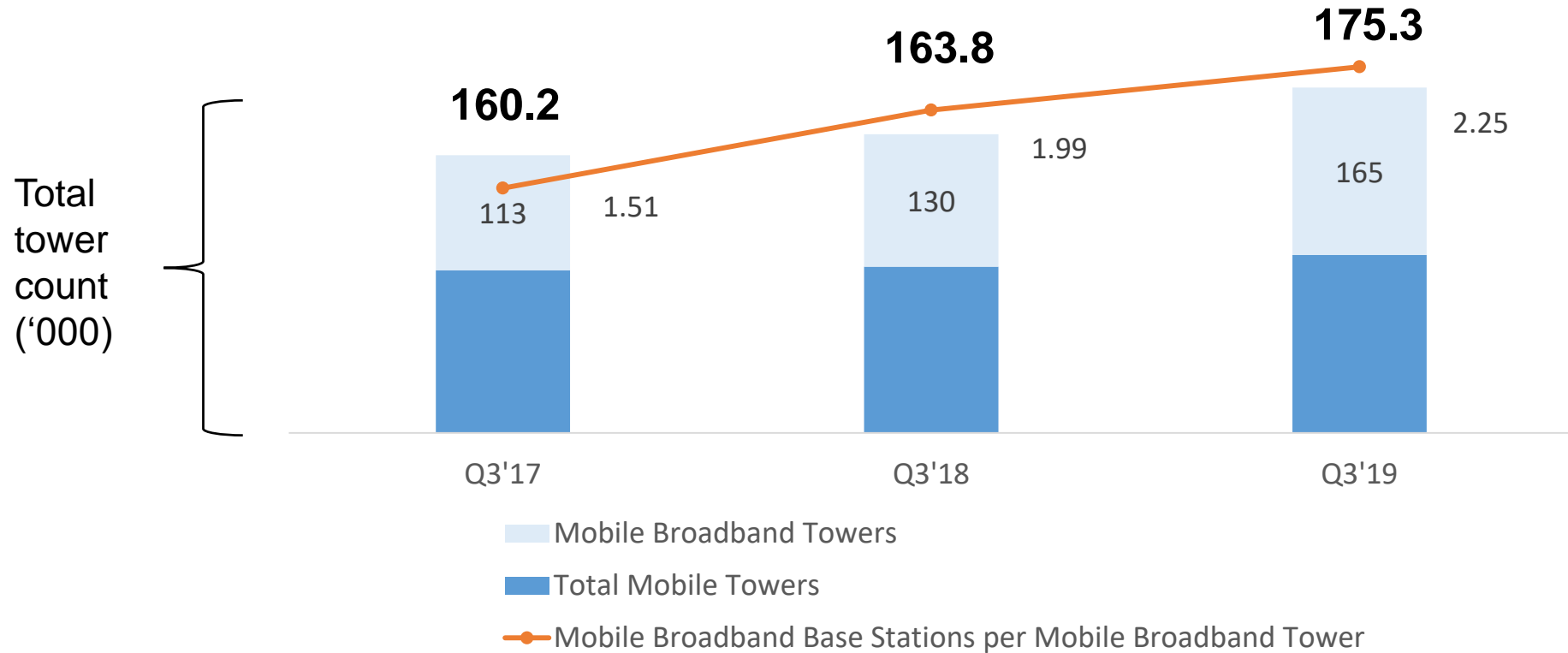
Massive spectrum holdings across all bands

## Share of total spectrum



> \$ 16 bn investment in spectrum since 2010 – to create best in class spectrum bank

# Aggressive Network Build



National long distance fiber –over **273,600 RKms<sup>1</sup>**  
 Added c. **39,880 RKms** over the past year

Global sub-sea cable network of over **250,000 Rkms<sup>2</sup>**,  
 covering 50 countries and 5 continents.

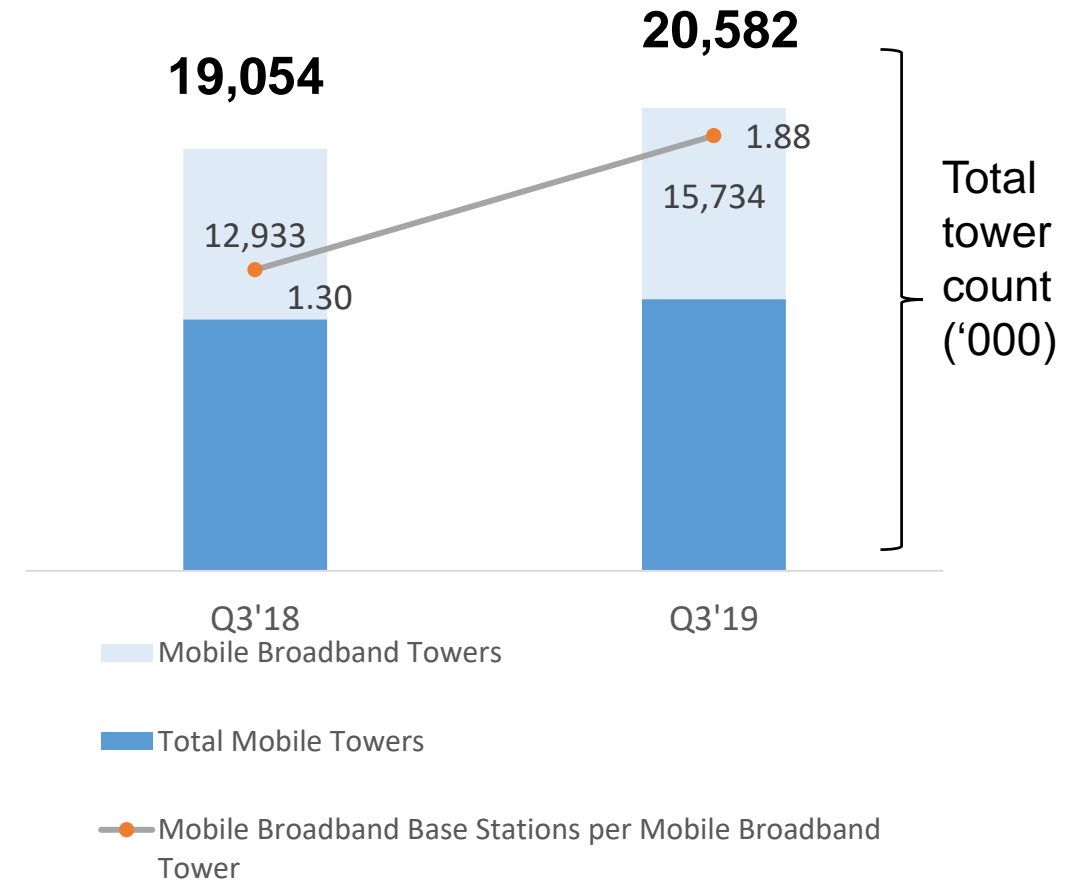
1. Excludes fiber from Tata 2. Quarterly Report Q319

# Africa: Invested for Growth

## Abundant spectrum across operations

OPCO	Frequency Band (Mhz)								Total
	800	900	1800	1900	2100	2600	2300	3500	
Zambia		10	20		20				50
Niger	10	10.2	18		15				53
Malawi		11.6	19.8		10			30	71
Madagascar		11.2	24.4		10		8.5		54
Nigeria		5	15		10				30
Kenya	10	10	10		10				40
Uganda		10.8	15		20	10		21.5	77
Congo B		15.2	29.8	5	15		40		105
Gabon	10	8	20	5	15	20			78
Chad		9.8	25		10				45
Rwanda		15	27		20				62
Seychelles	10	12	20		20				62
DRC	10	6	12		10				38
Ghana JV		13	25		20				58
Tanzania		7.5	12.5		10				30

## Mobile broadband towers ('000) – Africa





**STRATEGY**

**INDIA**



# PILLARS OF INDIA STRATEGY

Win the 4G  
game  
decisively

Win with  
brilliant  
Network  
Experience

Build New  
Revenues

Win with  
War on  
Waste

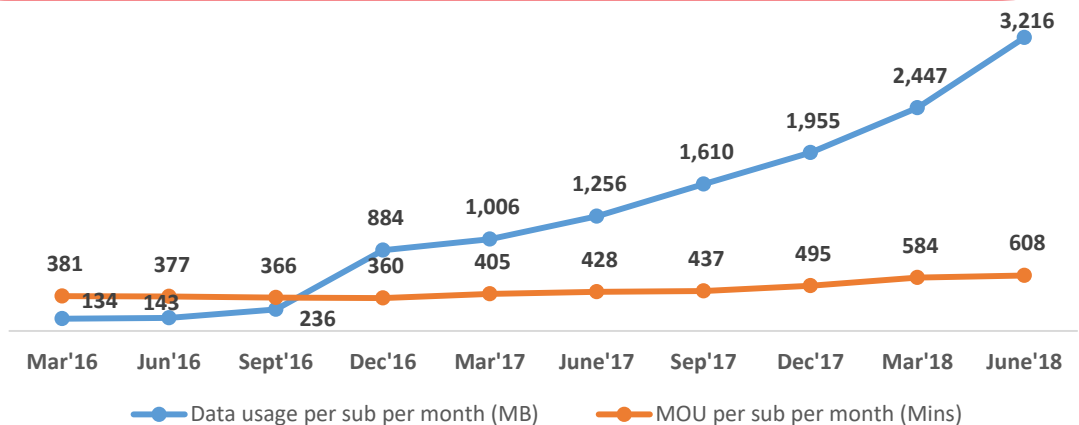
Win with  
People

# Indian telecom market dynamics is changing

- Explosion of Data – Spurt in volumes and smartphone shipments
- SIM Consolidation
- Bundled products – Voice and data bundling; total customer ARPU focus
- Increasing interest in digital content – Movies, Amazon, Netflix, Music

Average Data Usage per unique data subscriber per month– GSM (2G+3G+4G LTE+CDMA) : 8.32GB as of Sept'18

## GSM data and voice consumption is increasing<sup>1</sup>



Data Usage per sub per month	MOU per sub per month
YoY	YoY
156%	42%

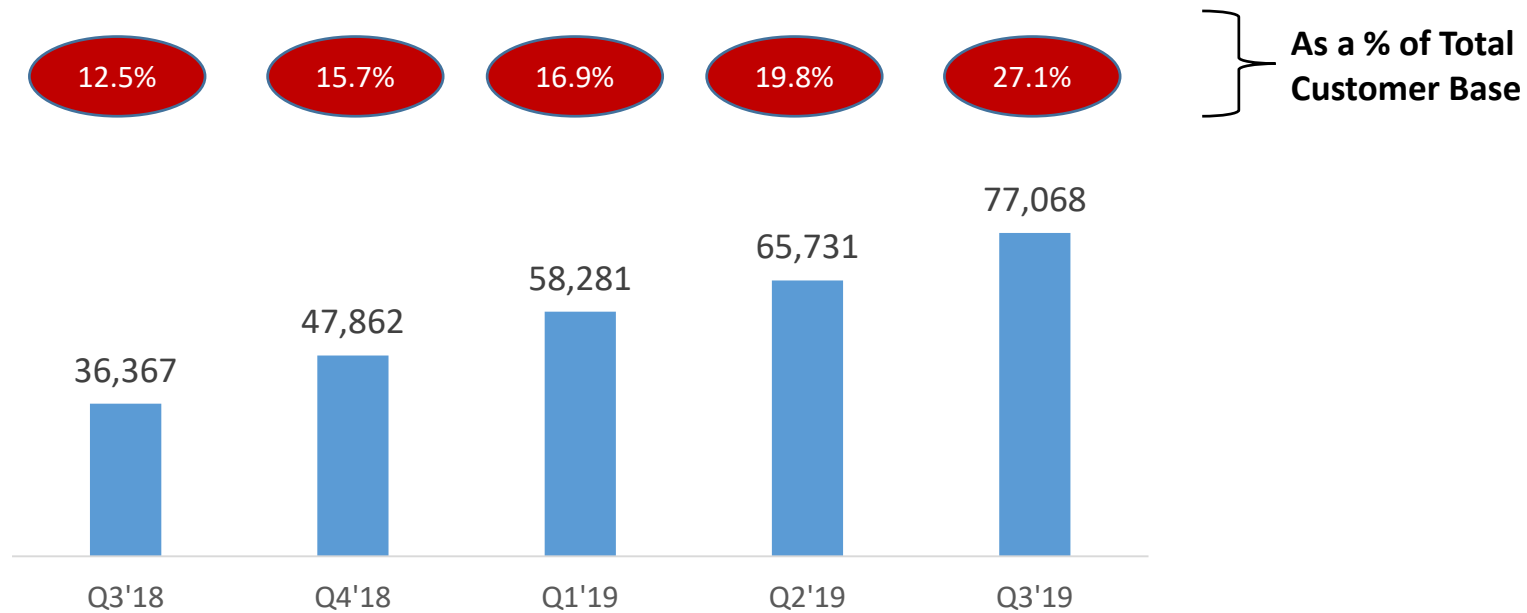
Source: TRAI

- ✓ India- World's second largest smartphone market
- ✓ Biggest feature phone market globally

Source 1: Performance Indicator Report, TRAI

# Win the 4G Game decisively

## 4G Customer Base



**QoQ  
Growth**

**17.2%**

**YoY  
Growth**

**111.9%**

Win the *primary 4G SIM Slot*

*Drive upgrades* through device partnerships and offers

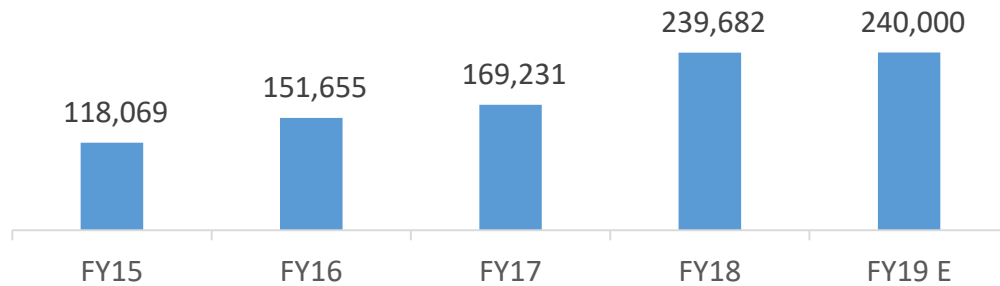
Lock-in customers through postpaid and loyalty programs

Win every market and channel through *micro marketing*



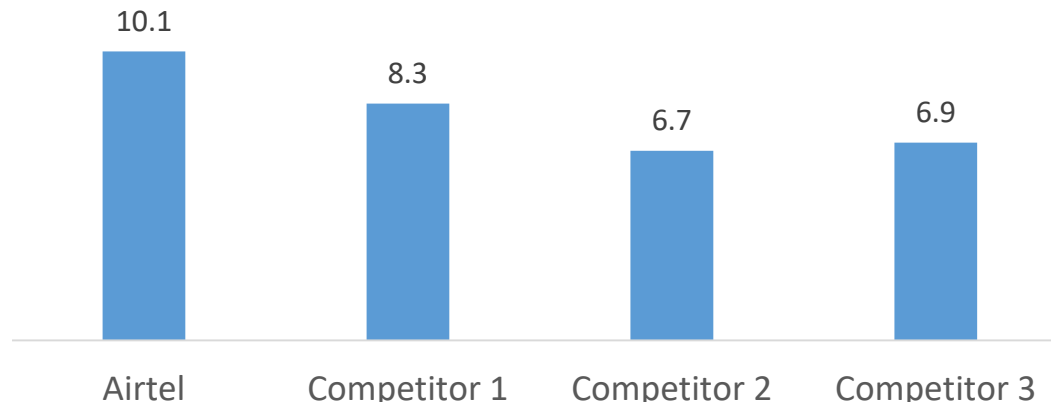
# Brilliant Network Experience

Capex - India (Rs. Mn)



**Future proof network** across access, transport and core layers.

Average 4G data speeds by Operator in India (Mbps)

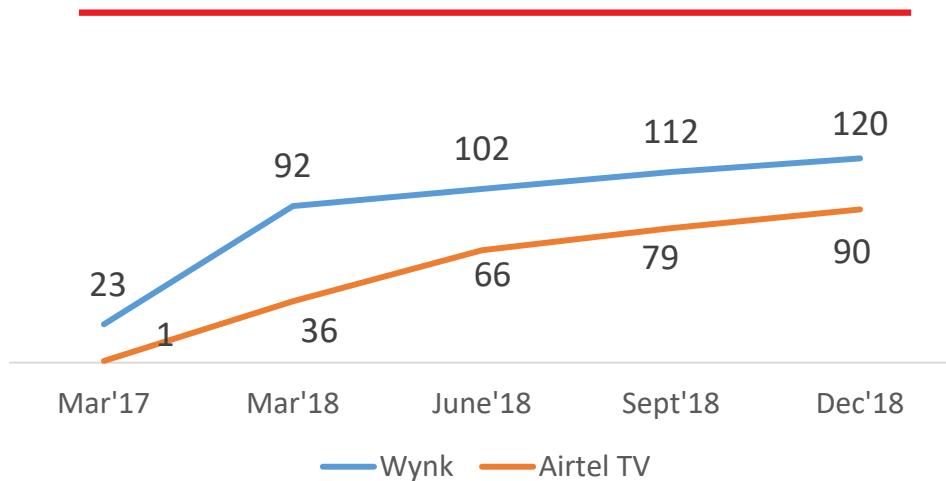


Airtel rated as India's fastest mobile network by Ookla - the global leader in broadband testing and web-based network diagnostic applications for the third time in a row.

Source: <http://www.speedtest.net/awards/india/>

# Build New Revenues

Wynk and Airtel TV Customers (Mn)



**'Airtel Books' - latest addition to the foray of digital OTT applications**

Build the largest **Music and TV service** in India.

**Rapidly grow homes** through broadband and DTH expansion

**Launch enterprise platforms** to drive new revenues.

**Accelerate SME** through GTM re-invention and **Leverage Customer 360**, training and touch points.

**Drive new revenue streams** in the areas of IoT, Cybersecurity and DCs.

Build the largest **Payments Bank**

- **Songs Streamed** ~ 1.6 Billion/Month
- 'Airtel TV' has an average of 1.2 billion minutes of watch-time per month.
- **Wynk Music** ~ #1 app in terms of music consumption in the country.
- **Airtel TV** ~ Among Top 5 Most downloaded video OTT app in 2018

Source: Media articles, company announcements

# War on Waste



## Drive Opex Savings

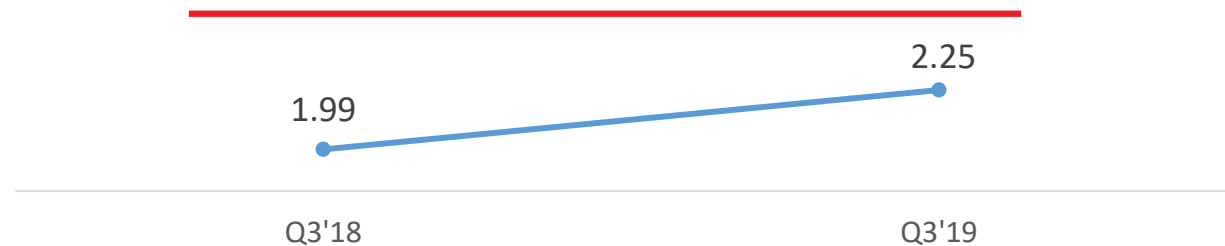
- Process Re-engineering
- Digitization and Automation
- Business Simplification



## Improve Capex Productivity

- Infrastructure Sharing
- Smart Procurement
- Adopting Disruptive Technologies

### Mobile broadband BTS per mobile broadband tower





**STRATEGY**

**AFRICA**



# PILLARS OF AFRICA STRATEGY

Win with  
more  
customers

Win with  
Mobile  
Money and  
Data Growth

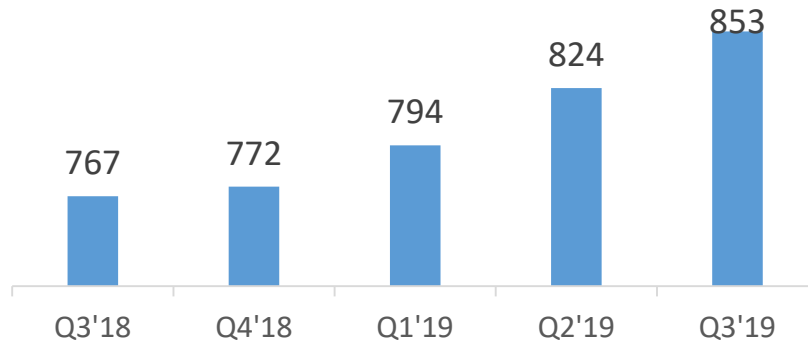
Win with  
Network

Win with  
right cost  
design

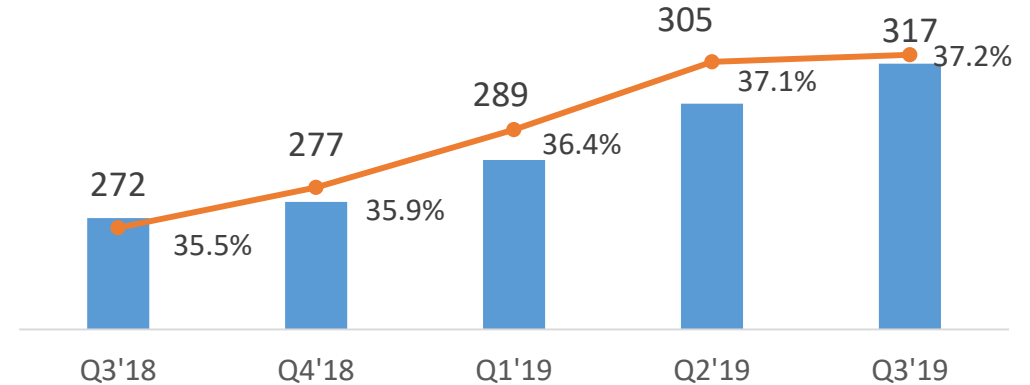
Win with  
People

# Airtel Africa on solid footing

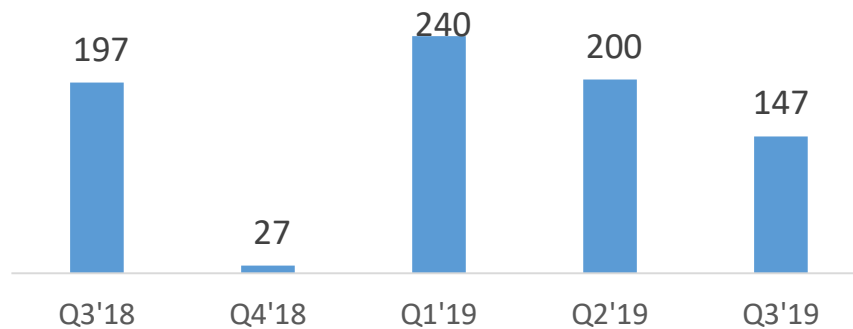
### Gross Revenues (USD Mn)



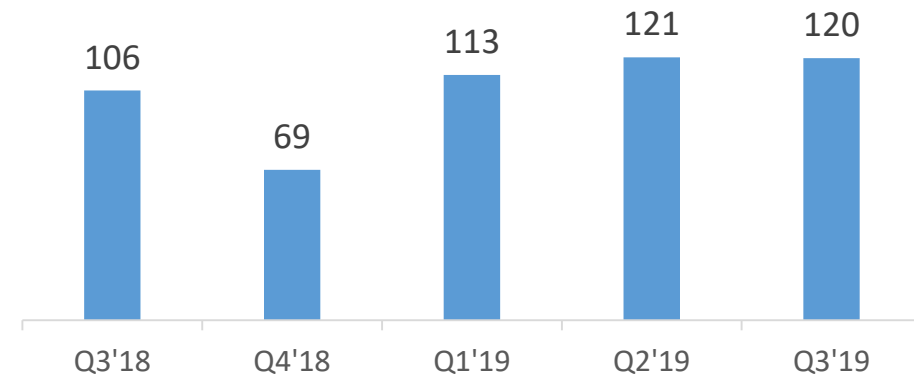
### EBITDA (USD Mn) and Margin (%)



### Operating Free Cash Flow (USD Mn)



### PBT (USD Mn)



Based on 14 country operations, USD Constant Currency

# While maintaining highest standards of Corporate Governance



1

Ranked in 'Top 10' (out of India's top 100 companies) on Indian Corporate Governance Scorecard.

2

Ranked amongst the "Forbes' list of 100 most innovative companies in the world" for 2017.

3

Won the prestigious "Golden Peacock Award for Corporate Sustainability – 2017"

4

Won the "Best Brand Loyalty Marketing Campaign" and "Best CSR Initiative Award" at the Asian Customer Engagement Forum (ACEF) awards.

5

Airtel's Internet TV – India's first 4K hybrid set-top box, powered by Android TV, won the "Tech Peripheral of the Year" award.

6

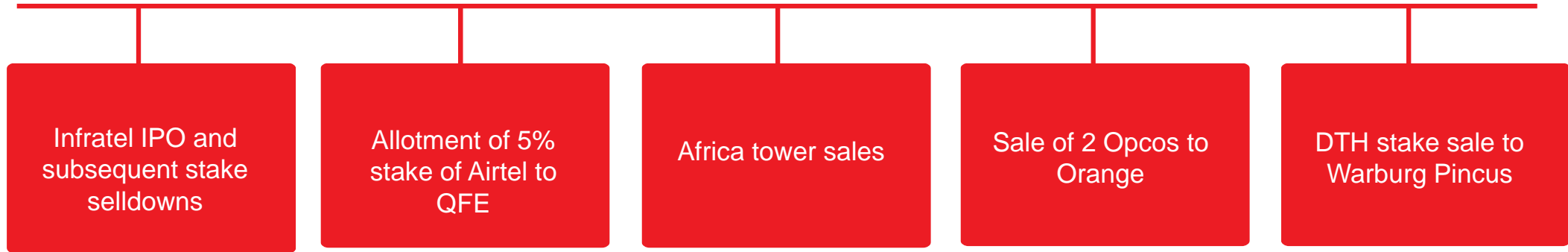
Airtel Ghana won the "Best Corporate Social Responsibility Initiative Award" at the 2017 African Carrier Awards

7

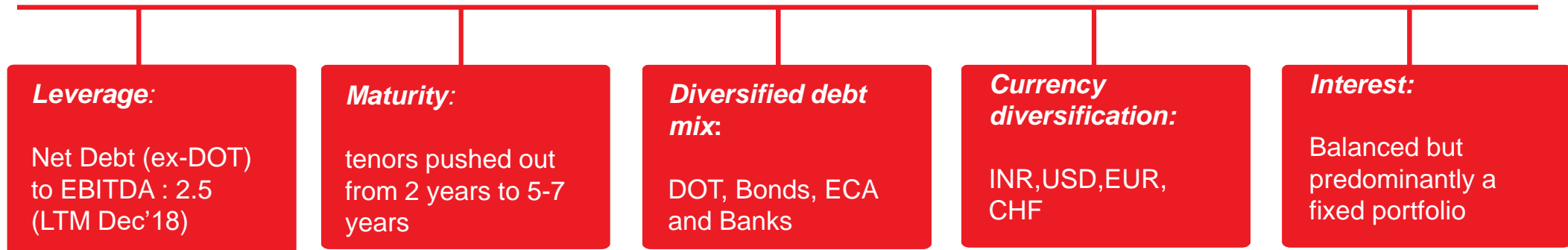
Airtel Nigeria won the "Payment Innovation Award" for Airtel's transformative use of mobile financial solutions to solve real world customer problems

# Airtel : Financial flexibility & Balance Sheet Focus

Focus on deleveraging: Actions undertaken since 2012



## Diversified debt profile



**Announced Fund raising of upto Rs. 320,000 Mn through rights issuance; and Perpetual Bond with equity credit**





**THANK YOU**