



Bharti Airtel



Management Presentation – Singtel Investor Day



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Certain numbers in this presentation have been rounded off for ease of representation

Investor Relations :- <http://www.airtel.in>
For any queries, write to: ir@bharti.in



What Guides Us

Customer Centricity

- Win customers for life through differentiated experience, products and world class technology

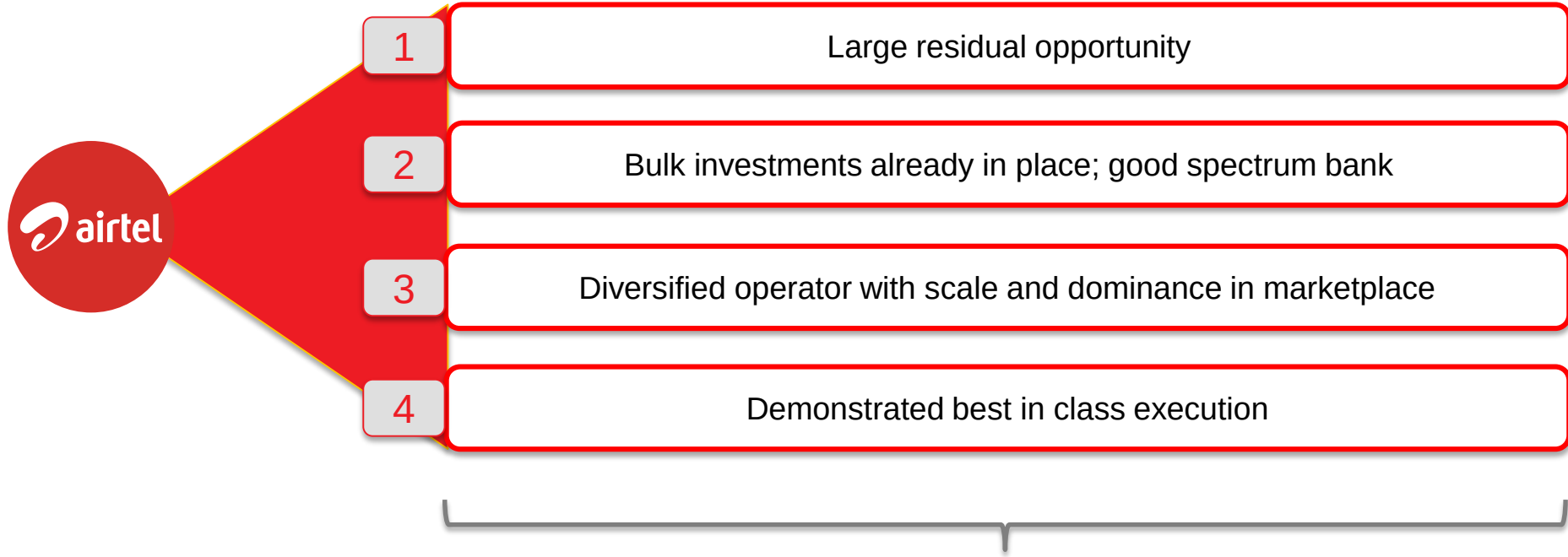
Performance Excellence

- Growth despite challenges
- Grow market share, strip out waste
- Accelerate non-mobile businesses

Transparency & Ethical Governance

- Highest corporate governance and disclosure rankings

Investment Highlights



1. LARGE RESIDUAL OPPORTUNITY

S- Curve on Data

- India mobile broadband (3G/4G) penetration at ~20%¹
- Smartphone shipments show tremendous growth. Smartphone penetration at 24%²
- Data traffic to grow by a CAGR of 63% over the period 2015 - 2020²
- Declining age dependency³
- Industry consolidation, top 3 operators account for 78% RMS¹
- While core voice business continues, increasing focus is towards bundling

Emerging Opportunities with Scale

- Payments Bank
- DTH
- Other non-mobile businesses



Source: 1. . TRAI; RMS as of Q3'17, including Telenor, Airtel + Telenor merger is subject to regulatory approvals 2. GSMA Mobile India Economy, as of 2015
3. UN estimates

2. BULK INVESTMENTS IN PLACE

Spectrum Bank

- Successful re-farming of sub-GHz spectrum for 3G
- 3G/4G coverage pan-India
- Highest spectrum market share ex-MTNL/BSNL
- Largest capacity per site

Largest network of towers and base stations

- 95.3% voice population coverage
- Mobile broadband sites up 61% over the last year

Largest network of optic fiber

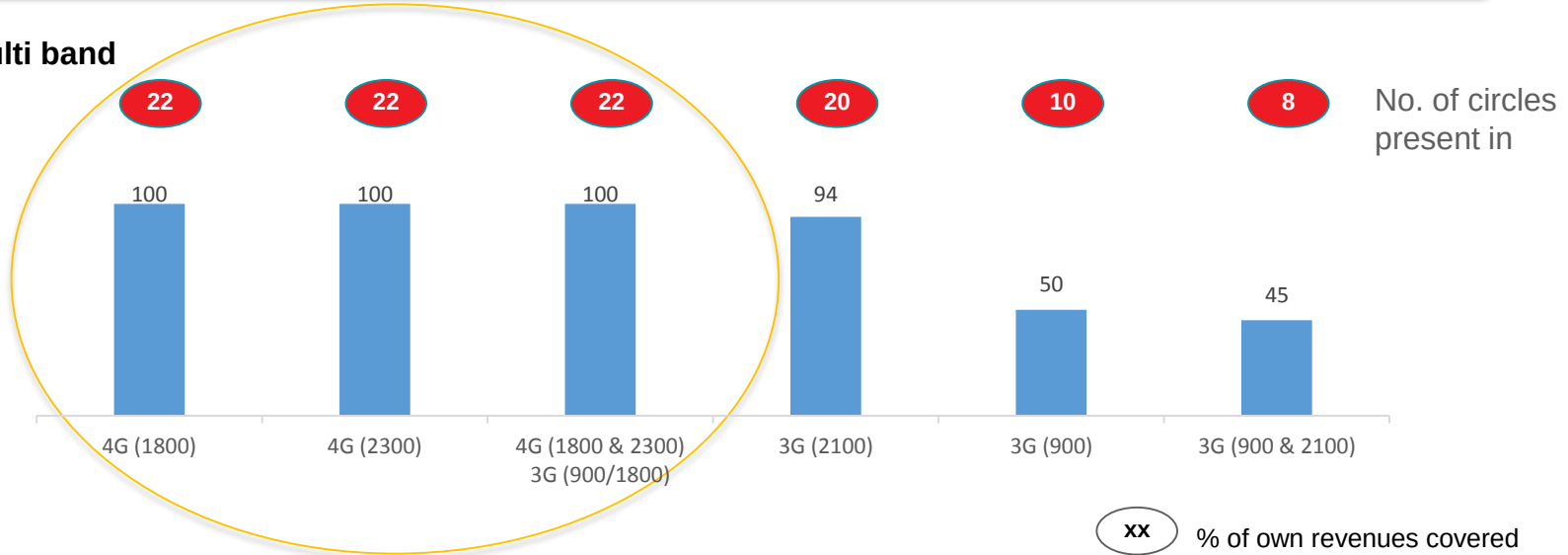
- Global and national long distance fiber – over 479,856 RKms
- Added c. 26,249 RKms over the past quarter



India: Superior Spectrum Position

Spectrum holdings across bands; % of own revenues covered¹

100% 4G multi band coverage

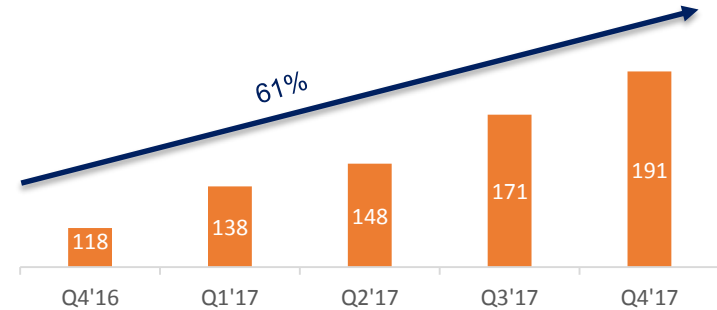


- ✓ 3G sub-Ghz available in 10 circles covering ~50% of own revenues and ~44% of industry revenue. 3G available pan India
- ✓ Pan India 3G and 4G – No Gaps
- ✓ 4G Carrier aggregation covers 100% of own revenues and 100% industry revenues
- ✓ 4G capability on 900Mhz is in 10 circles

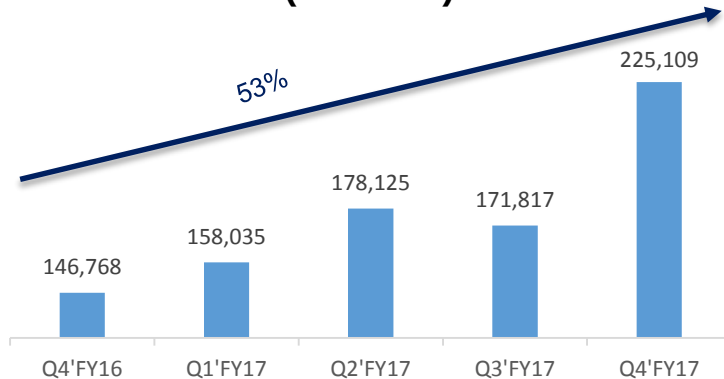
Fast growing data business

- ✓ First brand to own and launch 4G in India
- ✓ 3G and 4G Pan India
- ✓ Rated as India's fastest 4G network
- ✓ Annual data revenues c. \$2 bn (India) - from \$1.2bn in 2015
- ✓ Airtel recognized as the smartphone network

Mobile broadband base stations ('000) - India

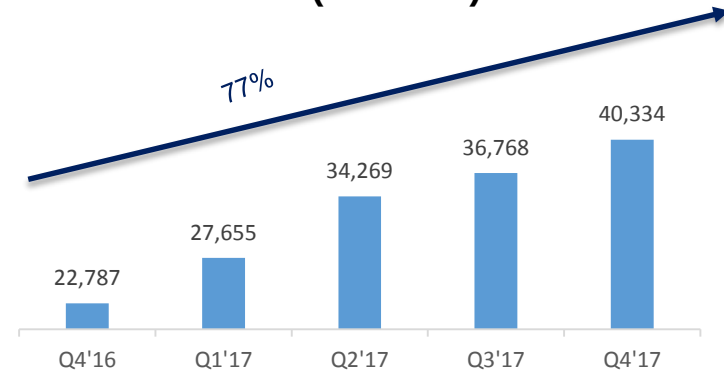


India data volumes (mn MBs)



Source: Company filings
1. In Constant Currency

Africa data volumes (mn MBs)



Africa: Invested for Growth

2010

4Q'17

Data/Mobile Money

- 3G: All 15 Countries
- Mobile Money: All 15 Countries
- 4G: Seychelles, Gabon

Countries: 15

Sites: 10,000

Customers: 35 mm

Countries: 15

Sites: 20,337

Customers: 80 mm



- ✓ Capex Investments till date: \$ 5.4 bn
- ✓ Well funded out of EBITDA: \$ 6.6 bn till date
- ✓ **Thus OFCF = \$ 1.2 bn**

Further focus on business re-contouring

- ✓ Tower Sales in 10 countries
- ✓ Divestment of 2 countries to Orange
- ✓ Announced merger of Ghana operations with Millicom
- ✓ **Total proceeds: \$ 3.25 bn**
- ✓ **Already received: ~\$3.1 bn**

3. AIRTEL: DIVERSIFIED OPERATOR WITH SIGNIFICANT SCALE

Profitability and scale across diversified segments

- Dominant position to capitalize with bulk investments in place
- Only operator with diversified portfolio
- Scale leading to operating leverage, best EBITDA margin in mobile India at 36.9% v/s avg industry at 24.7%²
- Generating significant organic free cash

Leadership across geographies

- Leader in India, #1 or #2 in 12 African countries

Leading market shares

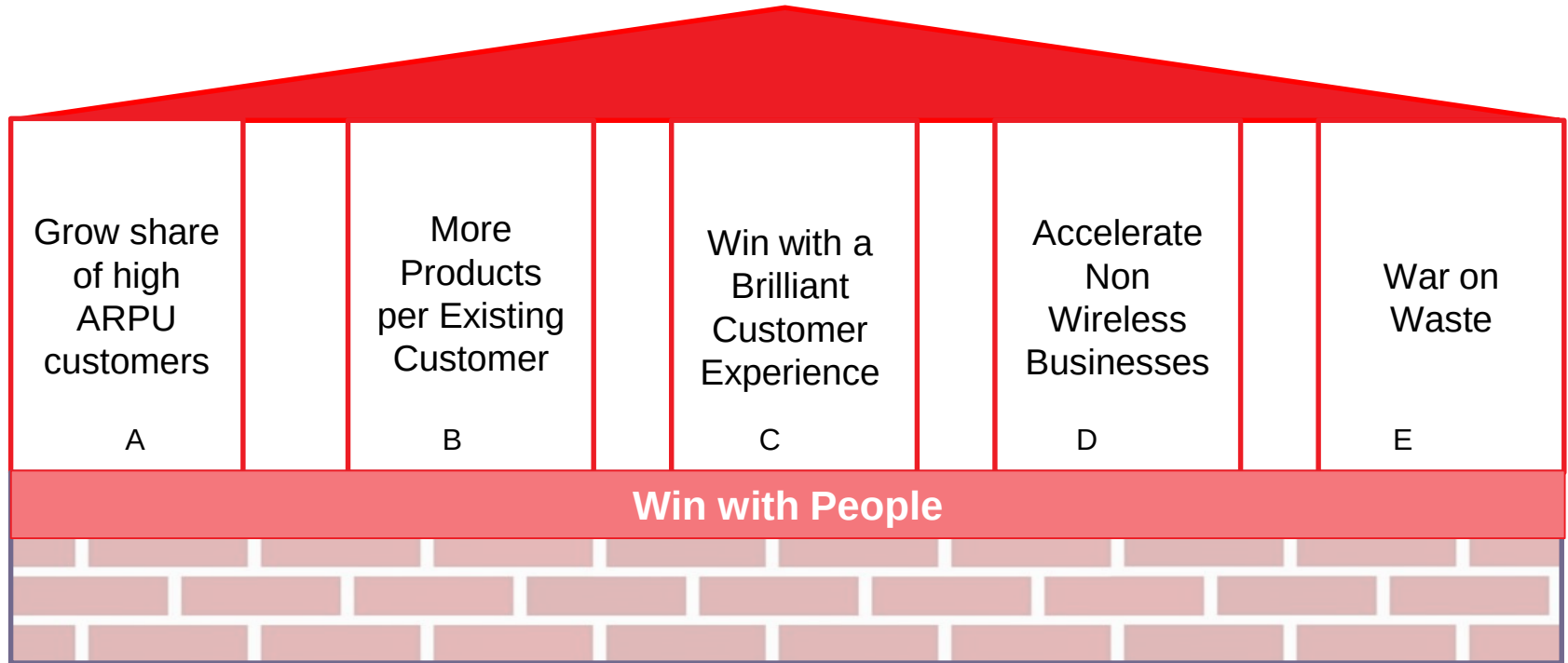
- Highest revenue market share and subscriber market share¹

Allowing Airtel the best chance to capitalize on the opportunities ahead, with bulk of investments already done



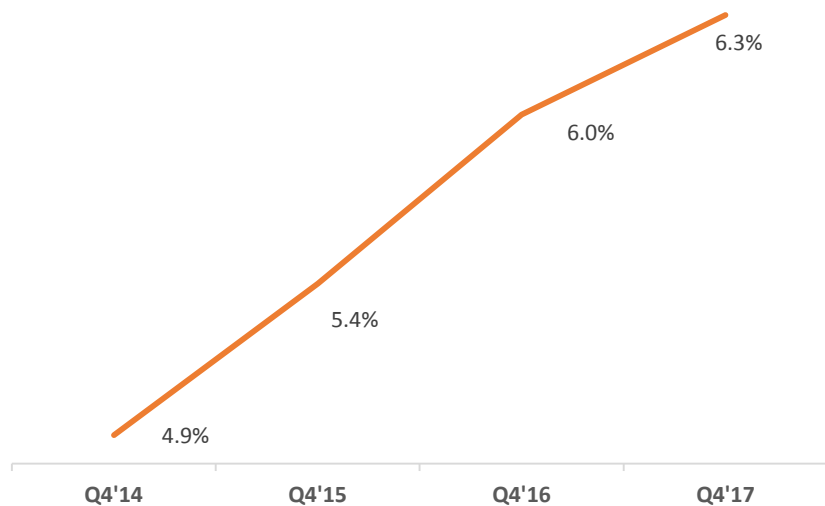
Source: 1. TRAI 2. Avg industry includes Idea, Voda (4Q'17) and RCOM India (3Q'17)

4. Strategic Pillars for Execution

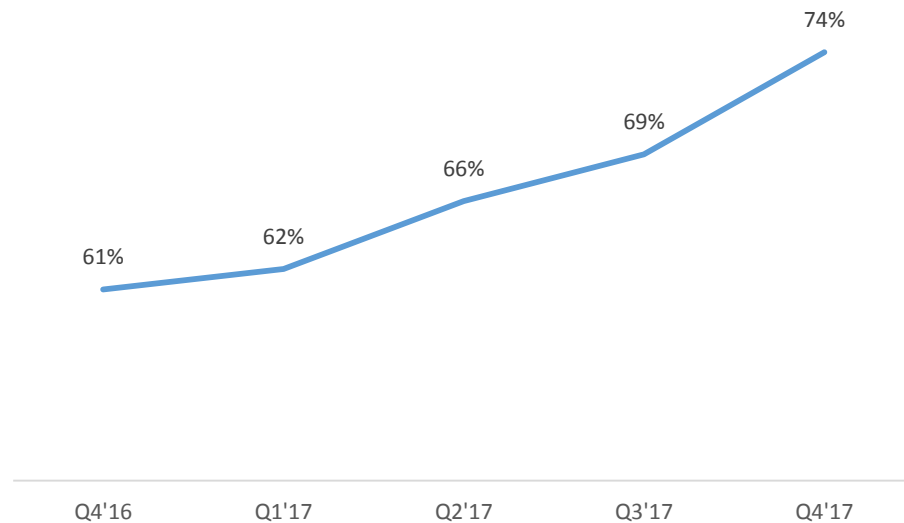


A. Grow share of high ARPU customers

Post-Paid (as % of total Customer Base)



Mobile Broadband Customer as a % of total data customers



- Bundled offerings gaining traction
- Increasing share of 4G devices

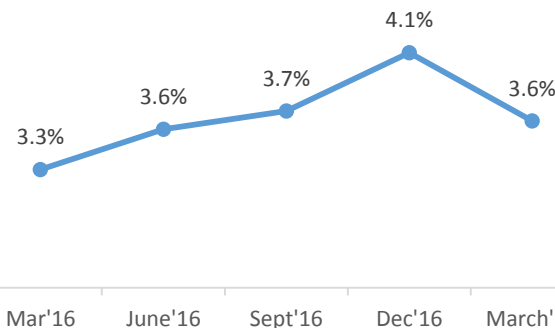
B. More Products per Existing Customer

Game changing innovations

Creating opportunities

- Unlimited voice packs, huge data benefits, no bill shocks on roaming
- Simplified Pricing. From 6500 Postpaid plans to
 - Myplan – Customized plans as per customer usage
 - Infinity – Options with unlimited benefits
- Wynk – Music, games. Airtel Movies
- Ditto TV, Juggernaut
- Payments Bank, Airtel Money
- Android TV, V-Fiber
- Leveraging Triple Play – Mobile + Broadband, DTH+ Broadband

Monthly Churn - India



Strategic Partnerships

- Airtel + Ola – roll out of integrated digital offerings
- Airtel + Micromax – bundled offers on handsets



Source: Ericsson Mobility Report

Brand Equity's Most Trusted Brands 2016

Airtel continues to be no. 1 in Telecom

Jumps eight spots to no. 3 across all sectors and brand

C. Win with Brilliant Network Experience

- ✓ More than doubled mobile broadband base stations in the last 2 years compared with last 20 years!

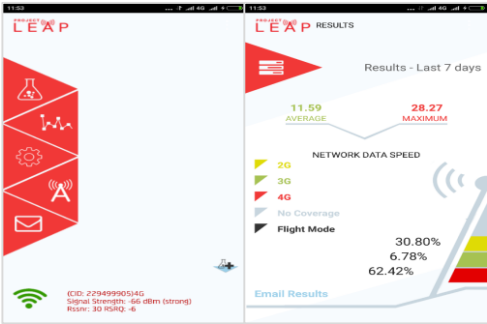


Eliminate frustration

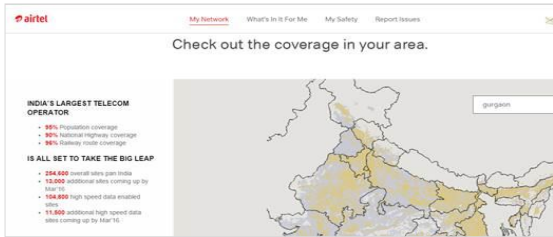


Frustration index

Invest in tools



An open network



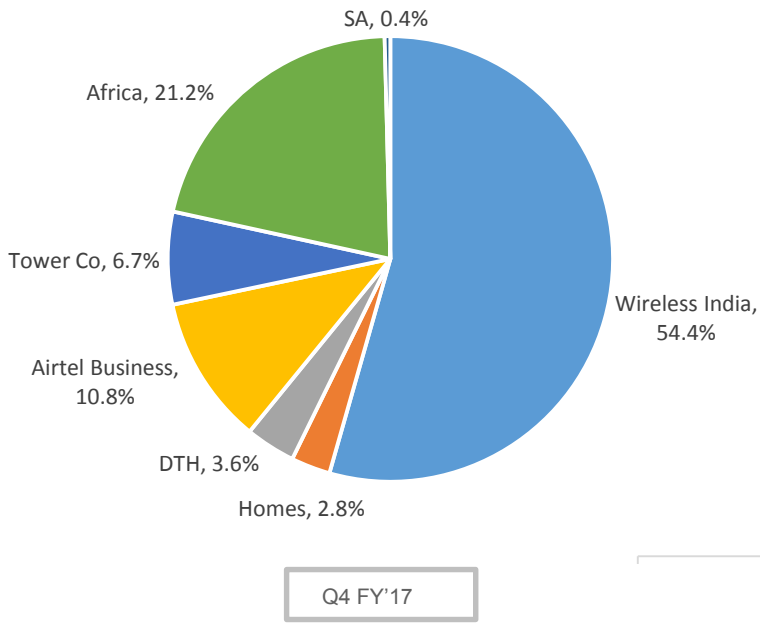
Capex Outflow	FY'17 (Bn)	FY'18 Guidance
India & SA	~\$2.6	~\$2.5
Africa	~\$0.4	~\$0.5

- ✓ Largest capital expenditure of Rs. 60,000 crore over 3 years towards a comprehensive network transformation

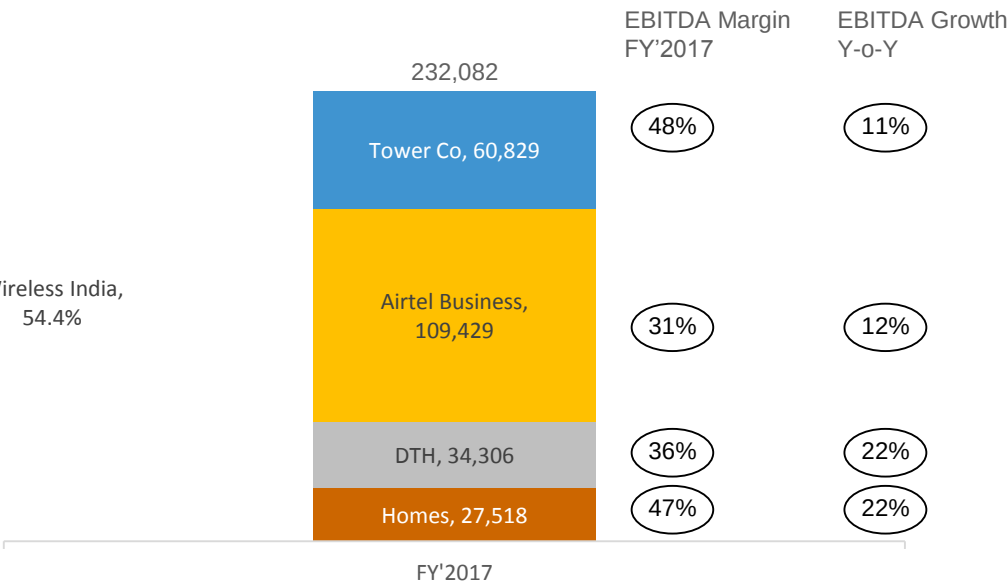


D. Accelerate Non-Mobile Businesses

Revenue split by segments



Non-Wireless Revenues India
Rs Mn

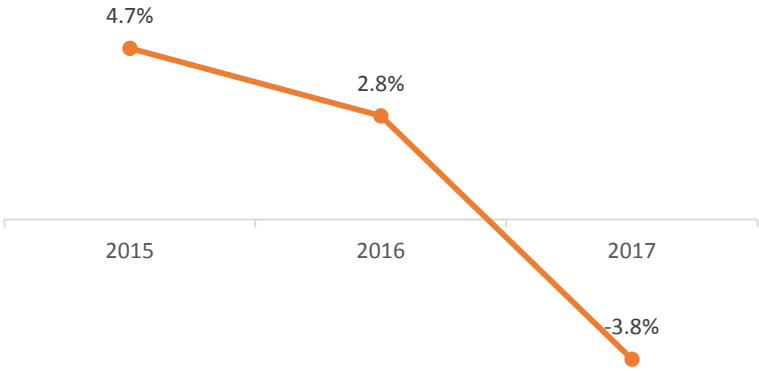


✓ **Non-mobile business comprise of 24% of total revenues (~20% as of Q4'16) but contribute 56% to incremental EBITDA YoY**

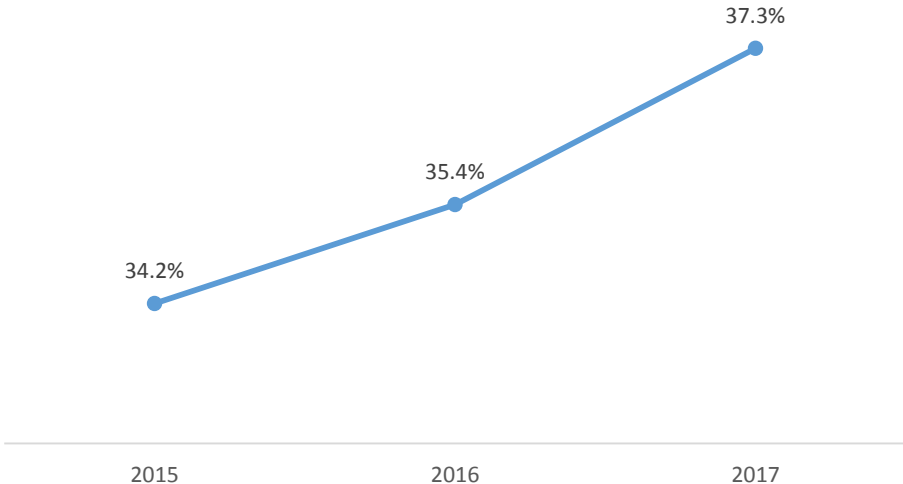


E. Win with War on Waste

Opex Growth YoY



EBITDA %

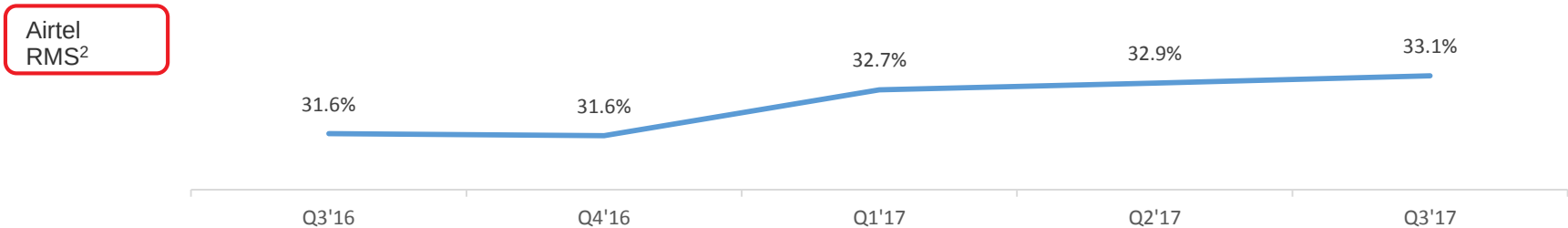
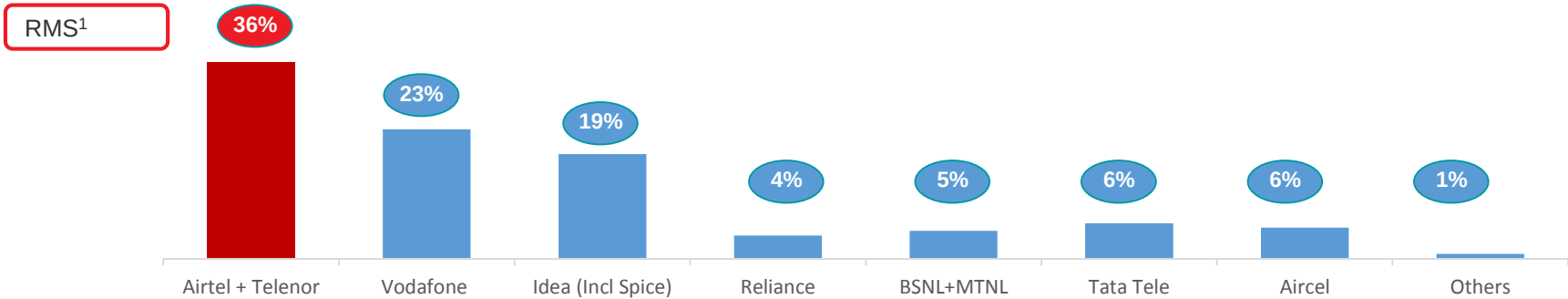


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|------------------------------|-------------------|-----------------------|
| Increasing Opex Productivity | Smart procurement | Frugal cost structure |
| Maximizing sharing | Network re-design | Divestment of towers |



Source: Company Filings
Note: 2015 numbers are based on IFRS accounting

Enhancing India Revenue Market Share¹



1. RMS is calculated on the basis of gross revenues. RMS is as of 9M'17, includes Telenor, merger is subject to regulatory approvals
2. Excludes Telenor
Source: TRAI

Financial flexibility & Balance Sheet Focus

Diversified debt profile; focus on deleveraging

Over last 3 years:

Leverage: Net Debt (ex-DOT) to EBITDA down from 2.51x as of Mar 2013 to 1.36. Net debt to EBITDA (LTM) including DOT debt stands at 2.62

Average Maturity: Average tenors pushed out from 2 years to ~5 years

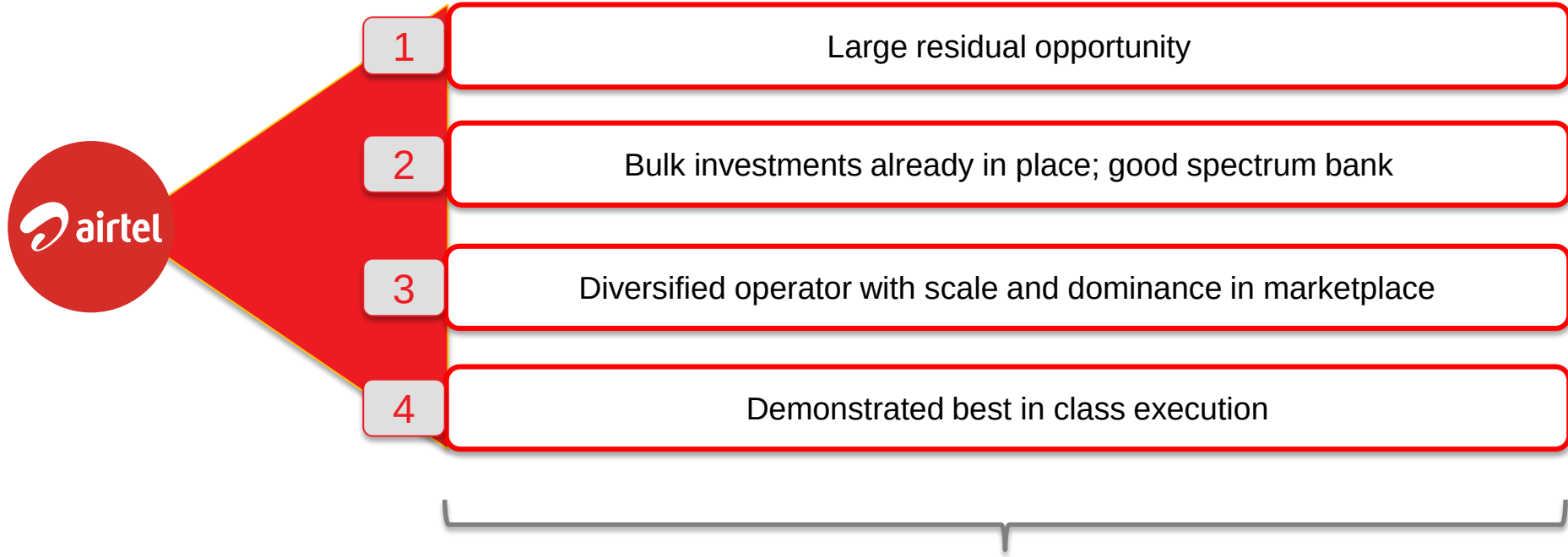
Diversified debt mix: 100% bank to a balanced mix of bonds, bank, ECA and DoT debt

Currency diversification: >75% USD weight to a mix of USD (32%), INR (53%), EUR (12%), Rest (3%)

Interest: 100% floating portfolio to predominantly a fixed portfolio

*Strategic initiatives undertaken include Airtel QIP, Infratel IPO & further sell down
Deleveraging in Africa via tower sales and merger and divestment of 2 countries to Orange*

Investment Highlights





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