



Bharti Airtel



Investor Presentation – February 2018



What Guides Us

Customer Centricity

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

Performance Excellence

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

Transparency & Ethical Governance

- Highest corporate governance and disclosure rankings

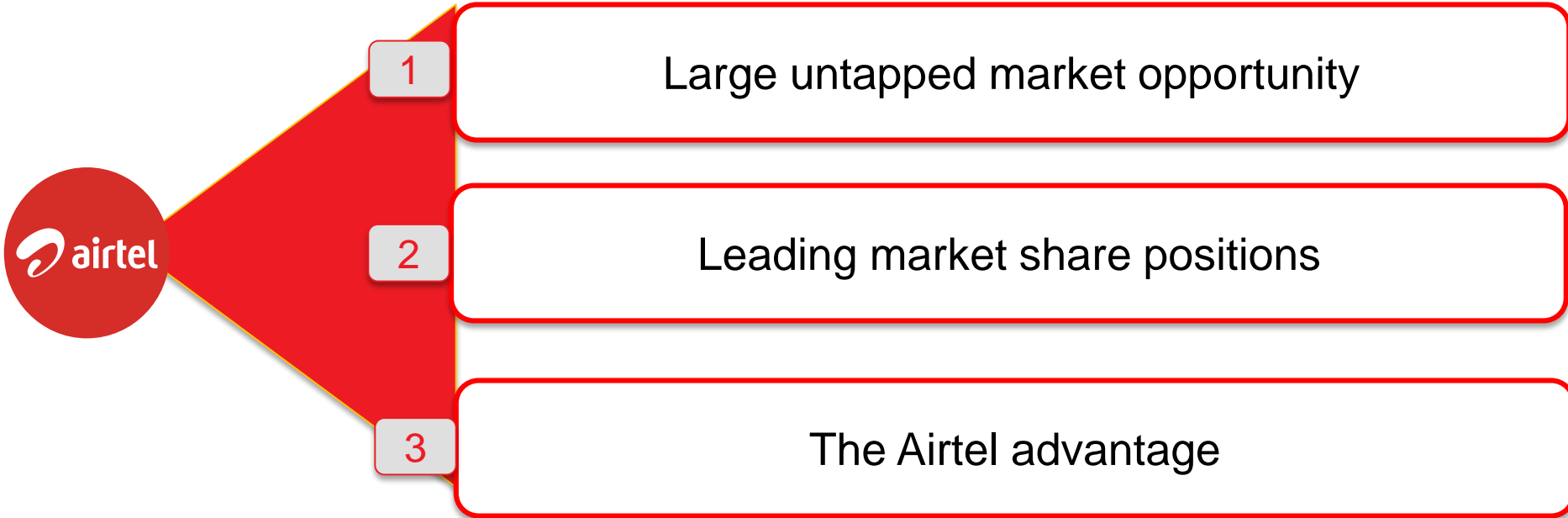
Bharti Airtel: Who Are We

- ❑ **3rd** largest telecom operator in the world
- ❑ Presence in **16 countries**¹ addressing to **1.84 Bn** population
- ❑ Serving around **394.2 Mn** customers with ~**\$13.2 Bn** revenues²
- ❑ **No 1** operator in India and only integrated operator with wireless, wireline & satellite TV
- ❑ **No 2** telecom operator in Africa with market leadership (Rank 1 or 2) in 13 of 14 countries³
- ❑ Cumulative investments in telecom ~**\$50 Bn**
- ❑ Highest standards of Corporate Governance – ranked **No 1** by Transparency International



1. Excluding JV in Ghana
2. LTM ending Dec'17
3. Including acquisition of Tigo's operations in Rwanda

Investment Rationale



Indian Mobile Market



Wireless Subscribers¹

- 1,167 mn customers of which ~740 mn are unique (dual simmers)

Broadband²

- 345.01 mn mobile broadband subscribers
- 17.86 mn wired broadband subscribers

Teledensity³

- Overall teledensity of 91.90%
- Rural teledensity of 56.66%

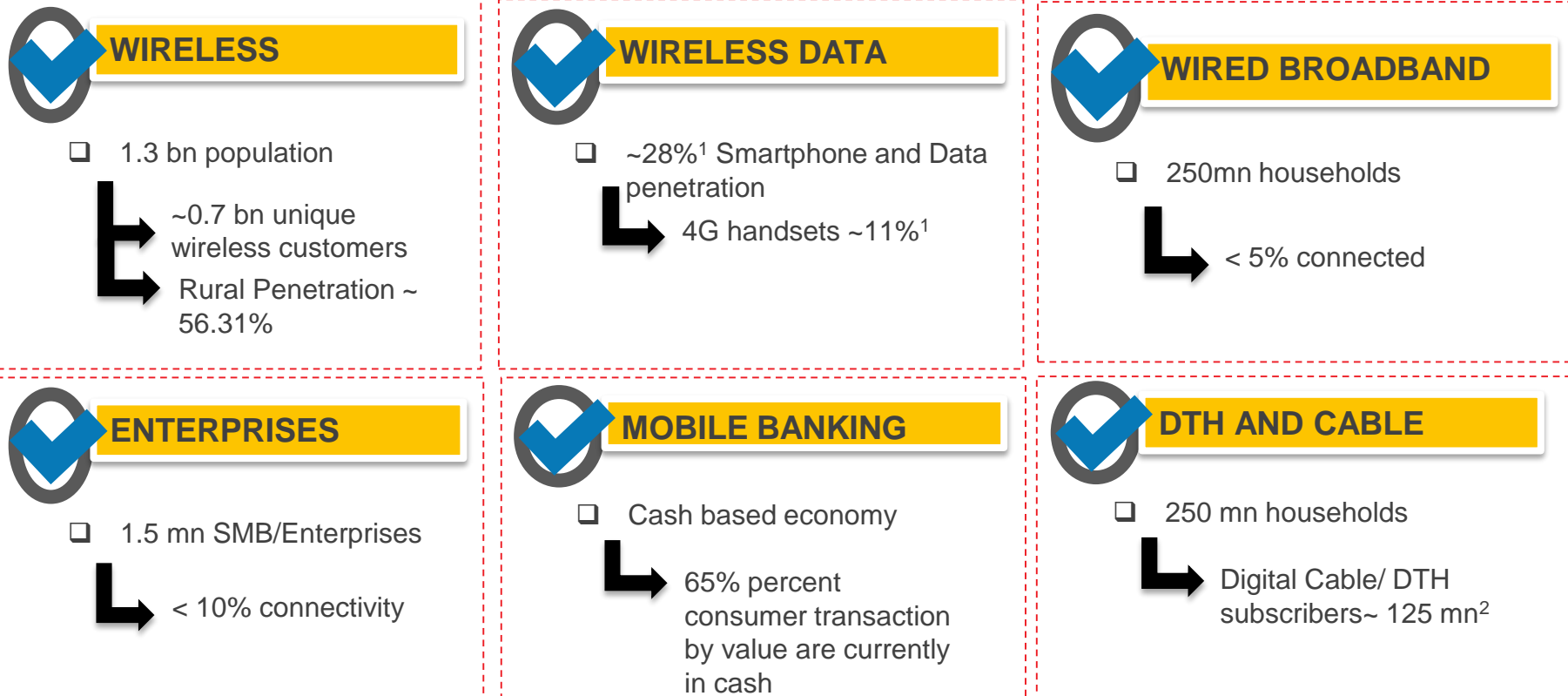
Smartphone⁴

- ~361 Mn smartphone connections
- ~28% smartphone penetration

Total size of the Indian wireless market - ~\$22 bn⁵



Opportunity in Indian Telecom

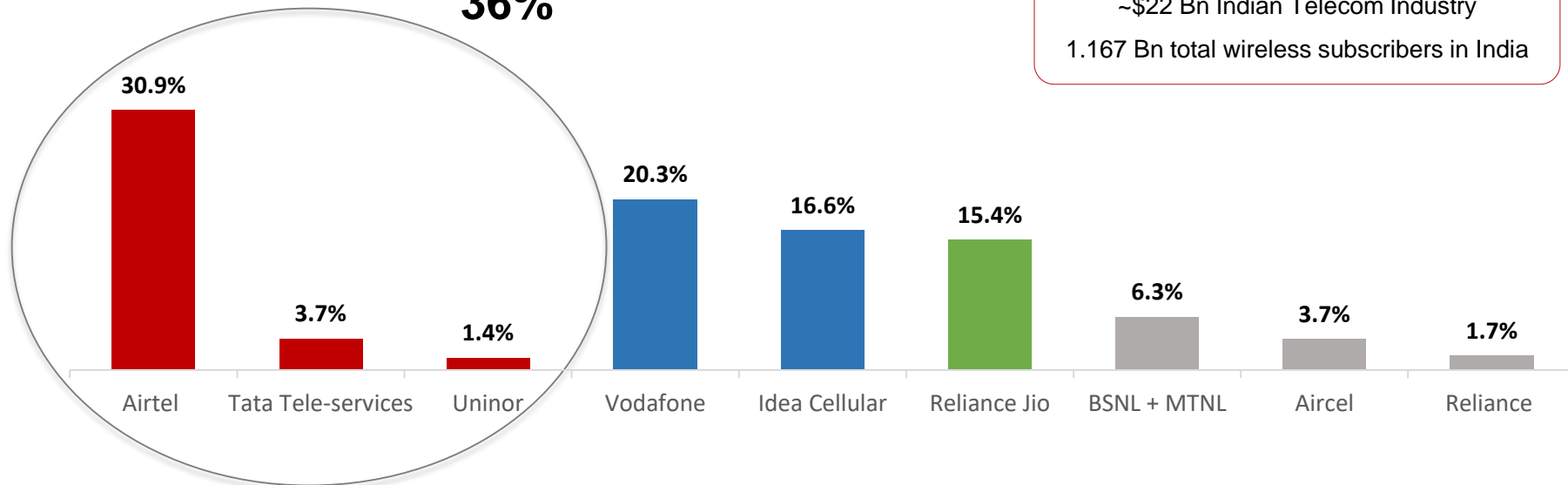


Leader in India Revenue and Customer Market Share¹

RMS

36%

~\$22 Bn Indian Telecom Industry
1.167 Bn total wireless subscribers in India



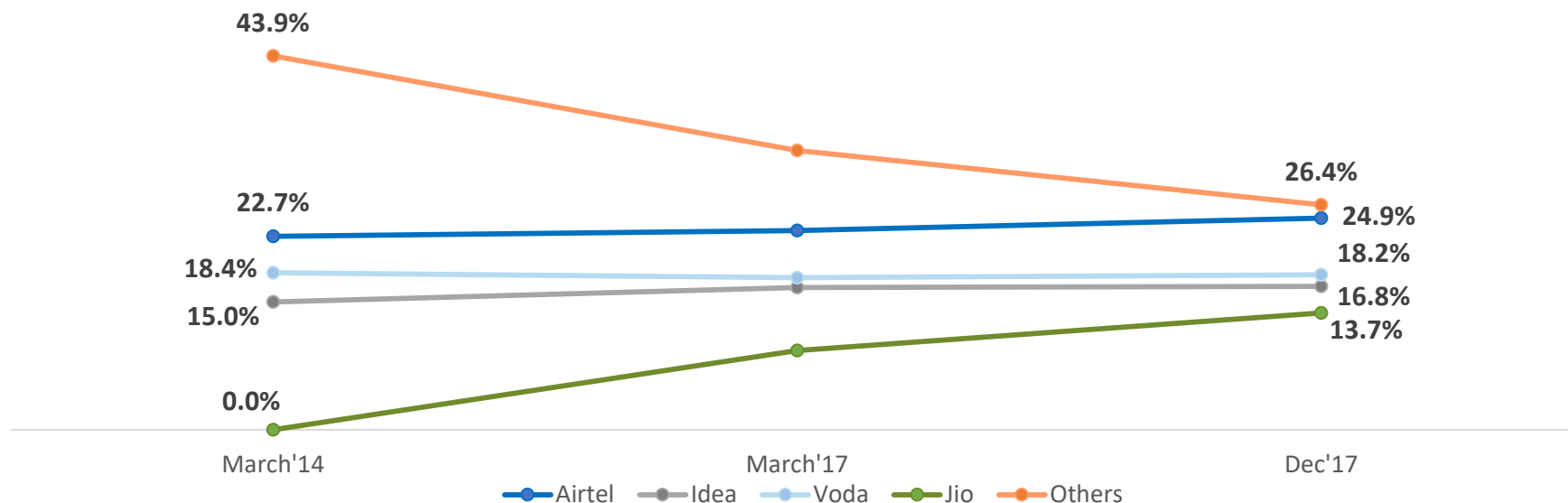
Airtel's strength across
telecom circles in India

Rank ⁴	No. of Circles
1	13
2	6
3 & 4	3

1. RMS is calculated on the basis of adjusted gross revenues including NLD. Source: TRAI
2. RMS is as of Q3'18
3. Airtel, Telenor and Tata merger is subject to regulatory approvals
4. Circle wise RMS is on the basis of Gross Revenue

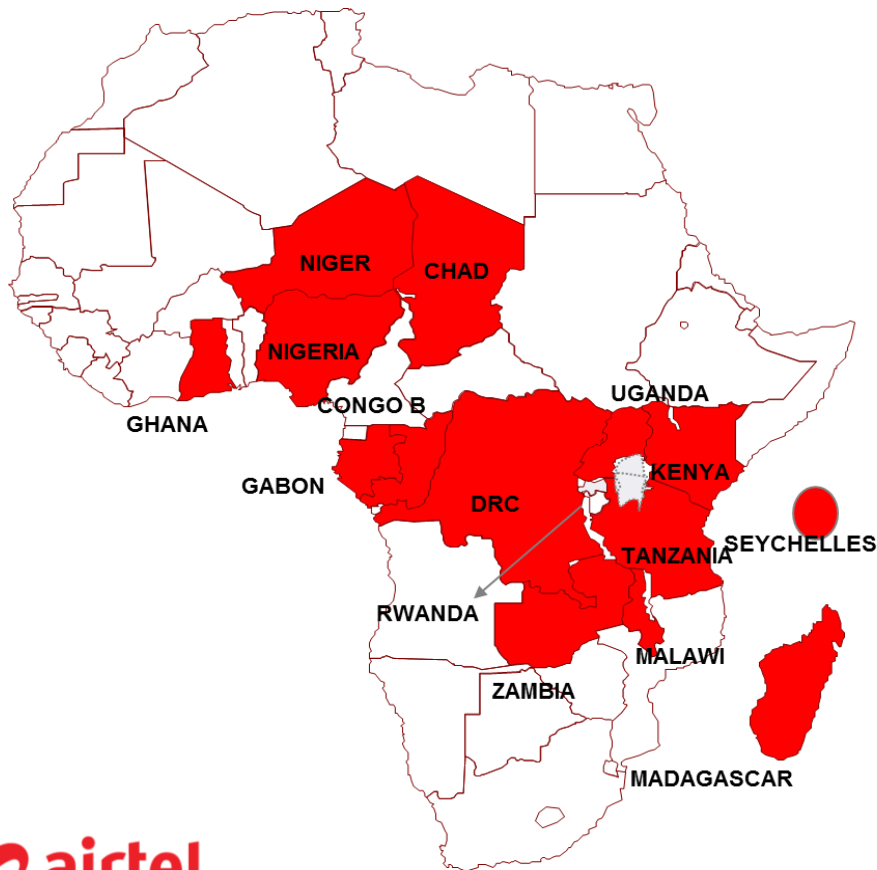
* RCOM folded its wireless operations in Nov 2017

Value players are fast losing subscriber market share to incumbents



Airtel, Tata Tele Services & Telenor comprise 32% of total industry subscriber base as of Dec'17

Airtel- Leading Presence in Africa



Source; Company presentations, Quarterly Report Dec, 2017
1. Excludes JV in Africa (Ghana)

2nd Largest telecom operator in Africa after MTN

Leading operator - #1 or #2 in 13 of 14 markets¹

Customer base of 84.1 mn

- of which ~23.3 mn data customers

3G and Airtel Money in all 15 countries. 4G in 8 countries, likely to have 4G in all countries by year end

10.4 Mn Airtel Money subscribers generating transaction value of > \$20 Bn annualized.

Carry over 147 bn minutes of voice and ~204 bn MBs of data traffic annually

Data usage per customer increased ~50% to ~1GB from 671 MBs from corresponding quarter last year

Airtel Nigeria won "Service excellence in Telecom Award" & "Payment Innovation Award" in Q2'18

Leadership Position across African markets

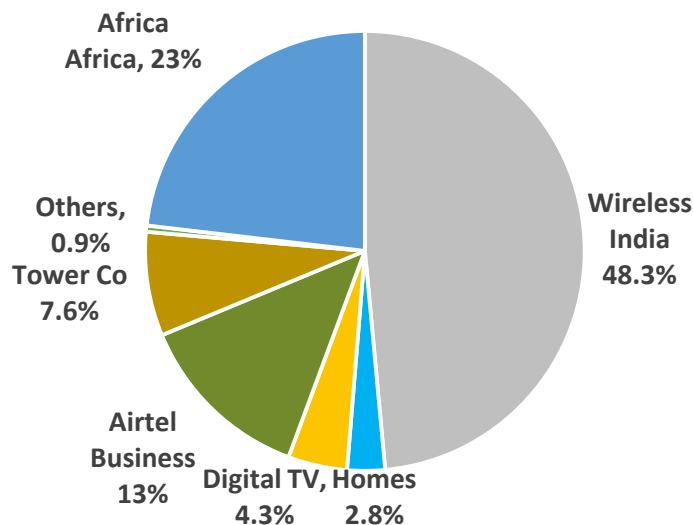
Country	Key Telecom operators	Our Position	Market size	Airtel RMS %
			(mn \$)	
Zambia	3	1	479	>40%
Niger	4	1	329	>40%
Malawi	4	1	222	>40%
Madagascar	3	1	192	30-40%
Nigeria	6	2	4,707	20-30%
Kenya	3	2	2,292	<10%
Uganda	5	2	699	>40%
Congo B	3	2	375	>40%
Gabon	4	2	348	>40%
Chad	3	2	272	>40%
Rwanda	2	2	163	30-40%
Seychelles	2	2	53	>40%
DRC	6	2	988	20-30%
Ghana JV	3	2	1,200	20-30%
Tanzania	5	3	1,039	20-30%

Bharti and Millicom International Cellular merged their respective units in Ghana to create the second-largest mobile carrier in the African country.

Airtel Rwanda received regulatory approval to acquire Tigo Rwanda to become the largest telecom operator in the country

Diversified portfolio across telecom and geography

Revenue Split by segments¹

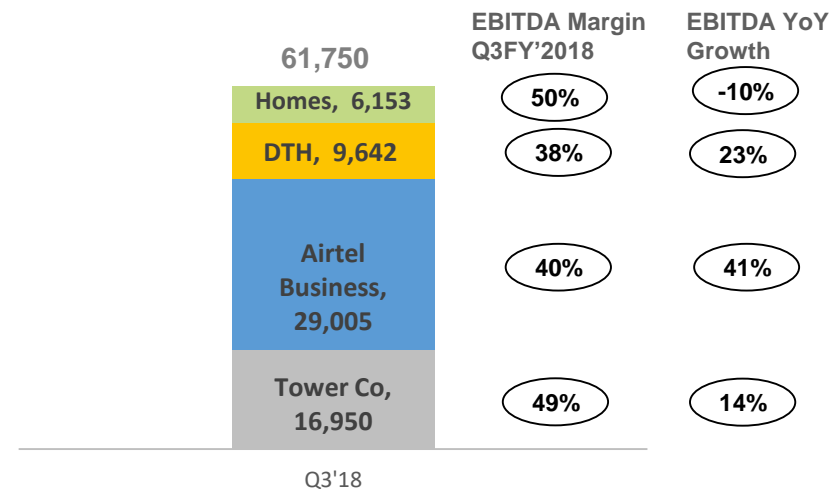


- ✓ As of Q3'18 India Non-mobile business comprise of 27.7 % of total revenues (~23.2% as of Q3'17)

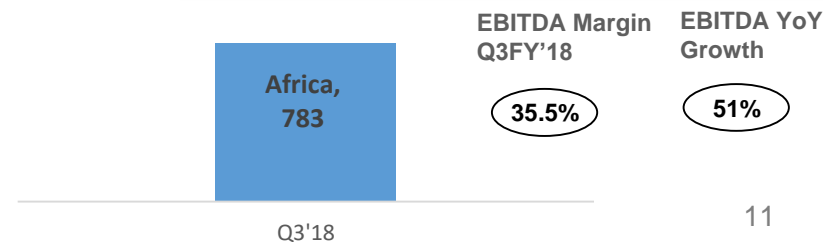


1. Excludes eliminations

Non-Wireless Revenues India (Rs Mn)



Africa Revenues (USD Mn)



Airtel Payments Bank



Key focus areas: Digital Payments,
Remittances and Transactions

68% transactions in India are cash based¹

➔ Annual Retail Payments²– \$ 2.5 tn

Opportunity to tap 450 mn unbanked
customers

Leverage on Airtel's massive retail presence

Airtel Payments Bank launched in 2017
provides over 400,000 banking points in
the initial phase.

Payments bank customers already reached
>25 mn



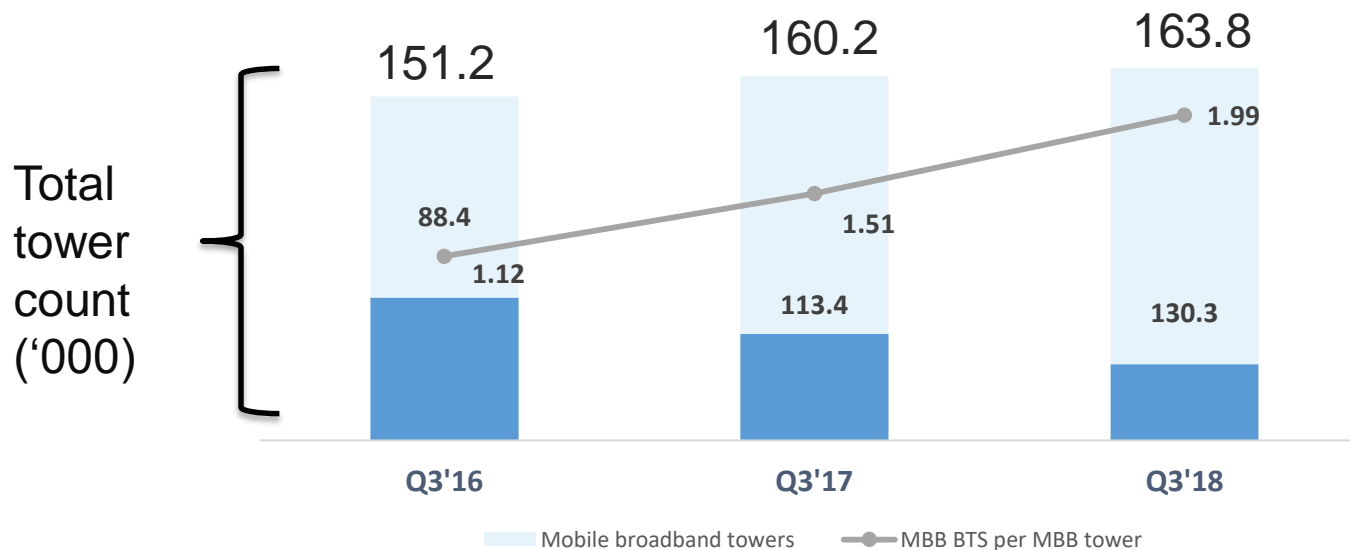
Investing for growth – spectrum holding

Band (Avg holding across 22 circles)	Airtel	Competitor 1	Competitor 2	New Operator
800/900Mhz Paired	5.5	3.5	2.7	6.7
1800 Mhz Paired	13.2	8.6	9.4	7.4
2100 Mhz Paired	7.8	5.2	3.6	3.0
2300/2500 Mhz Unpaired	25.9	9.1	9.1	27.3

Spectrum Band	Industry spectrum	Spectrum ex-govt. operator	Airtel's holding	SMS ¹ excl. govt. operator
900 Mhz	402	277	110.2	39.8%
1800 Mhz	1,144	1,083	289.4	26.7%
2100 Mhz	605	495	170.0	34.3%
2300 Mhz	740	600	285.0	47.5%
Total	3,304	2,829	865.9	30.6%

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

Aggressive Network Build - Monetize Spectrum



National long distance fiber –over **233,720 RKms¹**

Added c. **10,113 RKms** over the past year

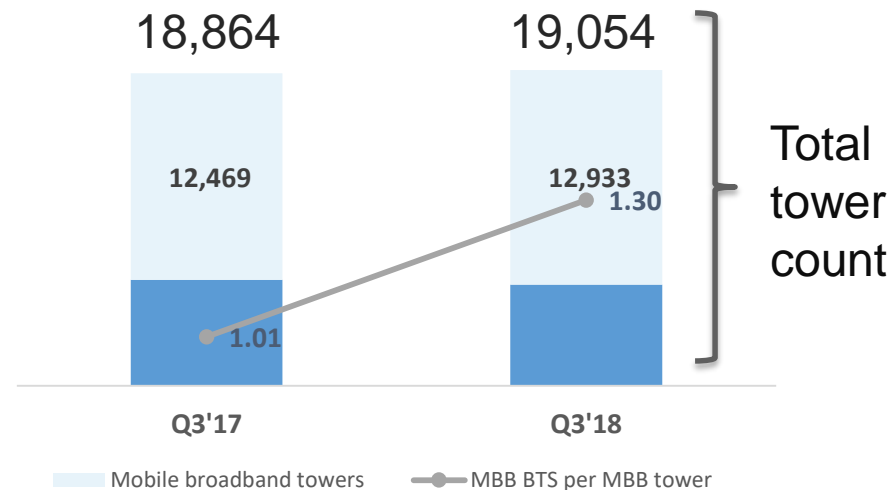
Airtel's acquisition of Tata Tele will provide Bharti Airtel right to use Tata's existing fibre network

Africa: Invested for Growth

Abundant spectrum across operations

OPCO	Frequency Band (MHz)						Total
	800	900	1800	2100	2600	2300	
Seychelles	10.0	12.0	20.0	20.0	-	-	62.0
Gabon	10.0	8.0	14.0	15.0	20.0	-	67.0
Congo B	-	11.8	15.0	15.0	-	-	41.8
Malawi	-	11.6	19.8	10.0	-	-	41.4
Madagascar	-	11.2	24.4	10.0	-	8.5	54.1
Uganda	-	10.8	15.0	20.0	10.0	-	55.8
Rwanda	-	10.4	15.0	15.0	-	-	40.4
Niger	-	10.2	10.0	15.0	-	-	35.2
Zambia	-	10.0	20.0	20.0	-	-	50.0
Chad	-	10.0	25.0	10.0	-	-	45.0
Kenya	-	10.0	10.0	10.0	-	-	30.0
Tanzania	-	7.5	12.5	10.0	-	-	30.0
DRC	-	6.0	12.0	10.0	-	-	28.0
Nigeria	-	5.0	15.0	10.0	-	-	30.0

Mobile broadband towers ('000) – Africa



Africa cumulative investments ~ \$11 Bn

Airtel : Financial flexibility & Balance Sheet Focus

Diversified debt profile; focus on deleveraging

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

Leverage: Net Debt (ex-DOT) to EBITDA down from 2.51x as of Mar 2013 to 1.47. Net debt to EBITDA (LTM) including DOT debt stands at 3.01 – **Lowest in the industry**

Maturity: 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, INR, EUR , and others

Interest: 100% floating portfolio to predominantly a fixed portfolio

While maintaining highest Standards of Corporate Governance



Won 'Golden Peacock Award for Excellence in Corporate Governance' for the year 2016

Ranked first in a listing of 100 emerging market multinational companies as part of a study on corporate transparency and reporting by Transparency International

Ranked #1 in FTI Consulting's "India Disclosure Index" for Mandatory & Voluntary disclosure practices, for the second year in a row

Diversified Board – 50% independent directors

SingTel representatives on the Board of the company

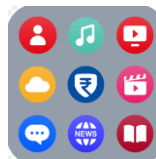
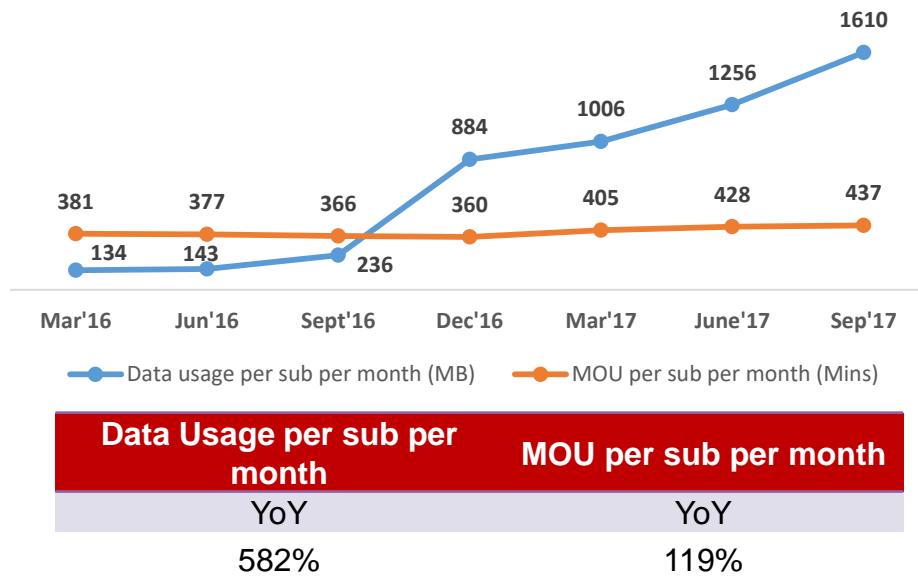
IG rating from 3 International Rating Agencies

Quarterly financials audited on Ind-AS basis

India telecom market dynamics is changing

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

GSM data and voice consumption is increasing

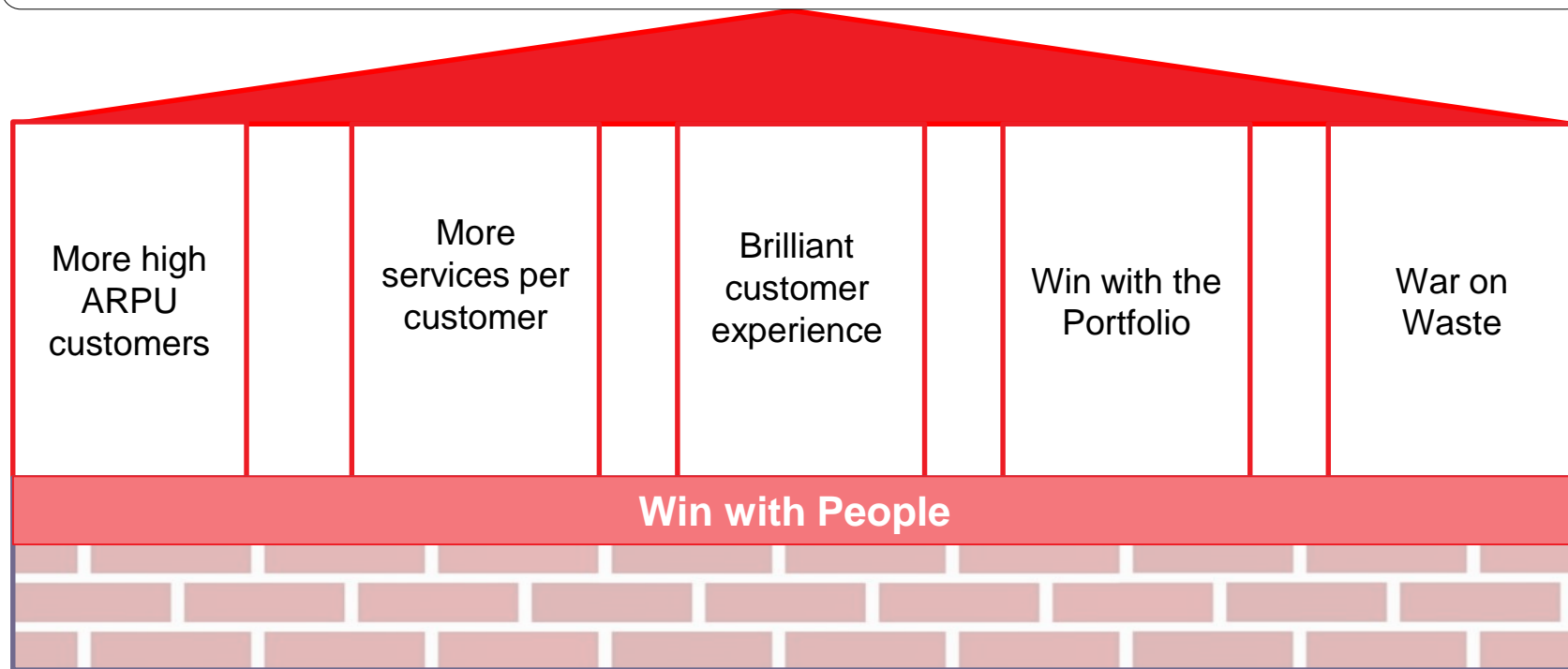


NETFLIX



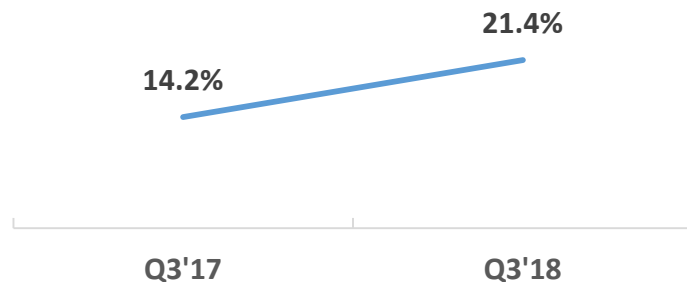
Strategy - INDIA

5 Strategic Pillars for Execution

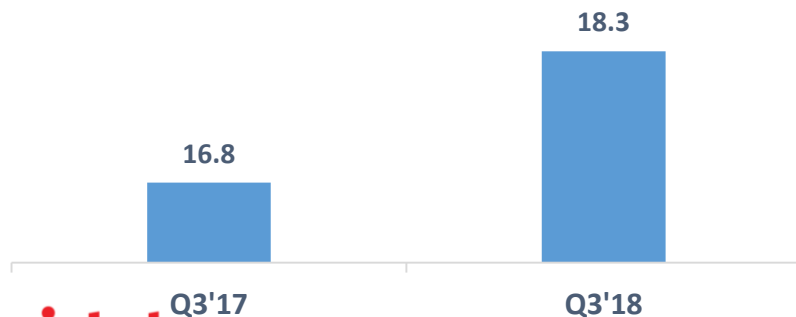


More High Value Customers

Mobile broadband customers as a % of total customers



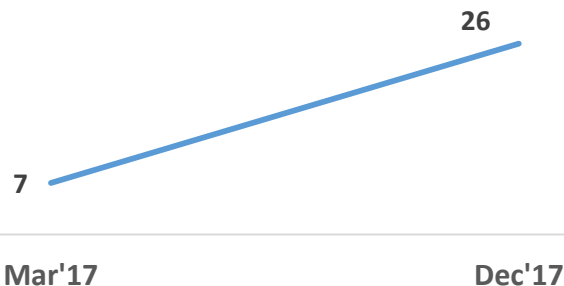
Post-Paid (Mn)



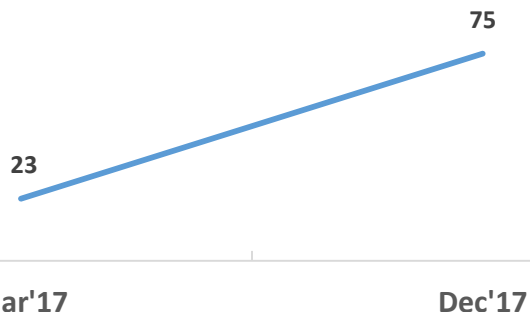
- Grab increased with share of 4G devices.
- Drive rapid data consumption through bundling voice and data.
- Accelerate SIM consolidation
- Accelerate postpaid through simplified bundled pricing, content partnerships
- International Roaming Packs to prevent bill shocks

More services per customer

Airtel Payments Bank Customers (Mn)



Wynk Downloads (Mn)



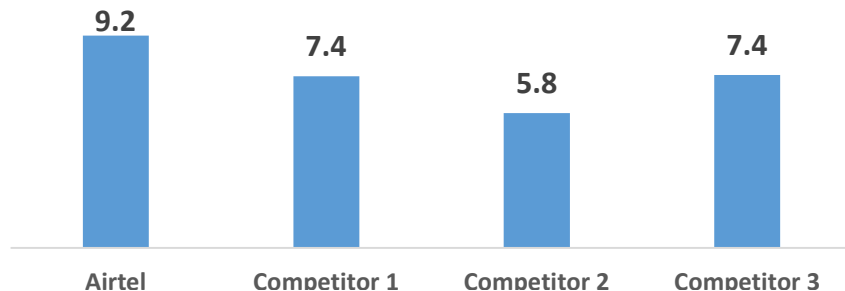
Source: Media articles, company announcements

- Build the largest Payments Bank
- Accelerate Airtel homes through brilliant service bundling
- Gain adoption of digital services like introduction of OTT apps – Airtel TV, Wynk.
- Drive depth of product portfolio in B2B

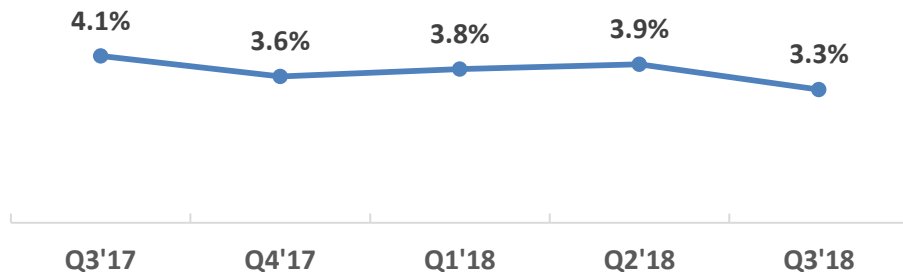
Airtel TV is the second most downloaded application in Entertainment category

Brilliant customer experience

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



Driving down churn

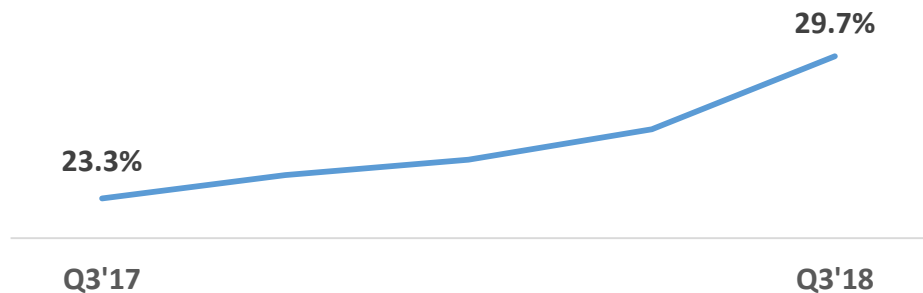


- Eliminate customer frustration
- Deliver a world class network experience
- Digitize customer on boarding, care and analytics
- Revamp our stores for improved growth and customer experience

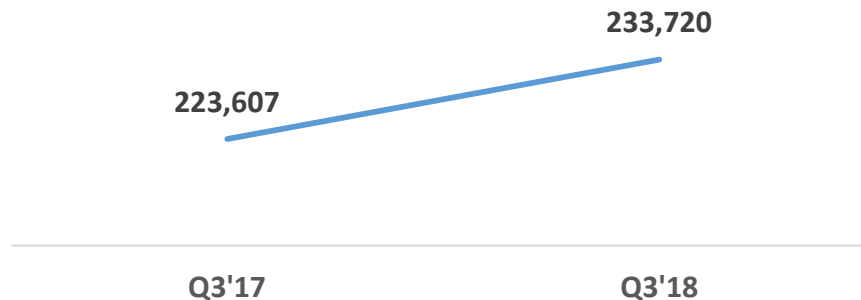
Airtel rated as India's fastest mobile network by Ookla - the global leader in broadband testing and web-based network diagnostic applications.

Win with the Portfolio

Non mobile revenues as a % of total India



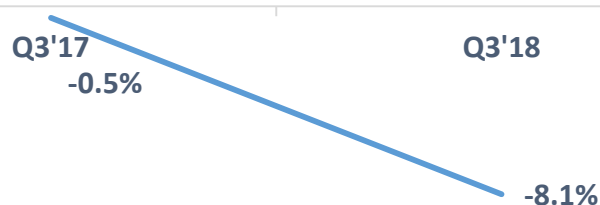
Global network – Fiber (RKms)



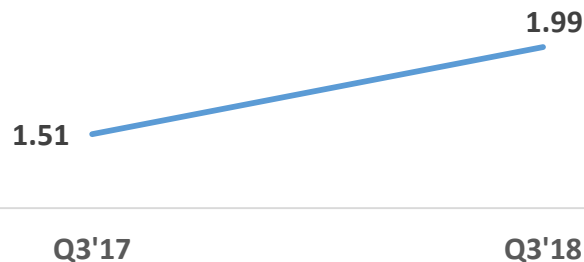
- Accelerate home broadband through rapid expansion and speed upgrades
- Accelerate B2B growth
- Accelerate DTH through driving HD upgrades
- Drive new revenue streams

War on Waste

Opex growth¹ - YoY



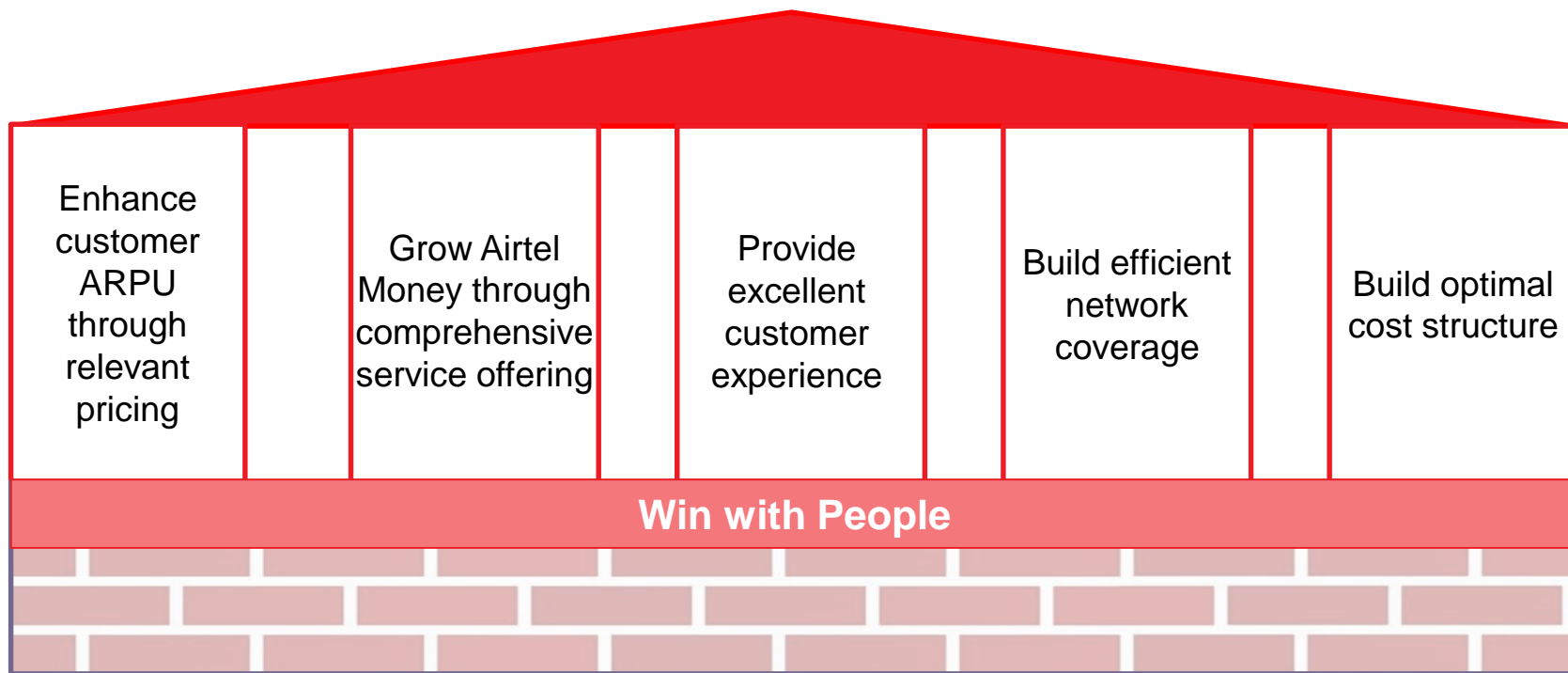
Mobile broadband BTS per mobile broadband tower



- Drive zero based costing
- Accelerate active sharing, fiber and joint sourcing of bandwidth
- Optimize network investment

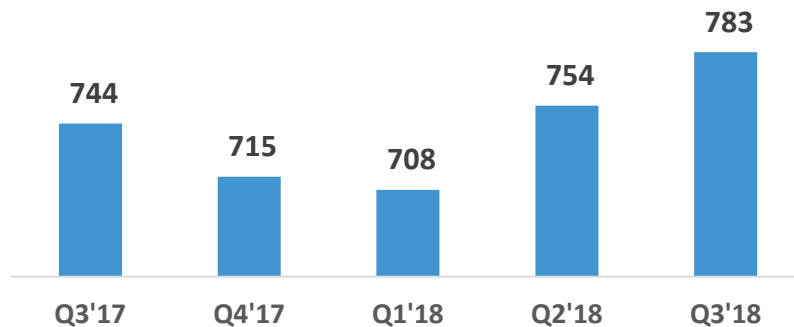
Strategy - AFRICA

5 Strategic Pillars for Execution

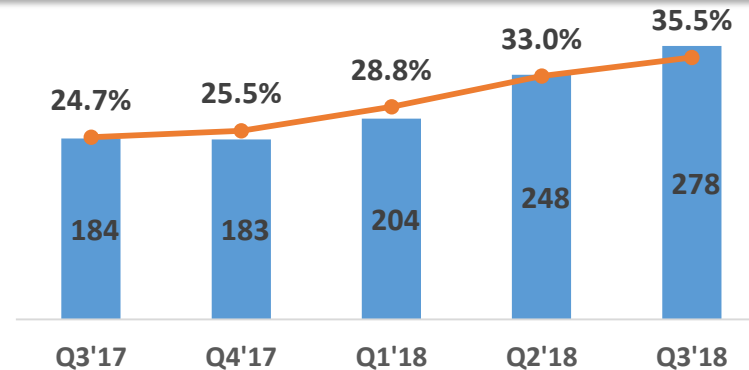


Airtel Africa on solid footing

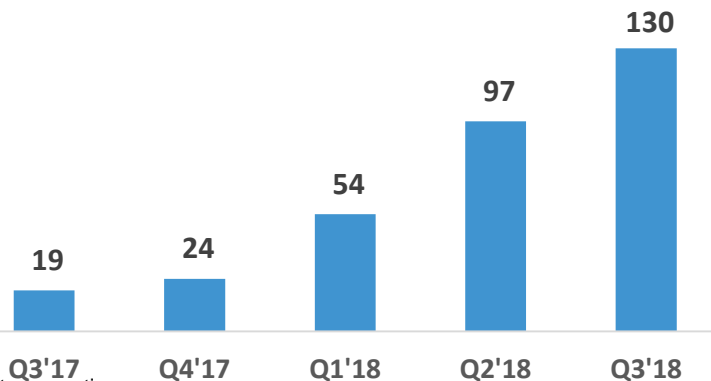
Gross Revenues (USD Mn)



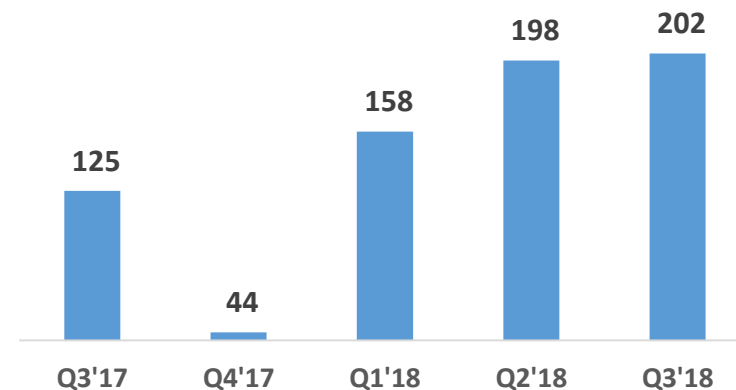
EBITDA (USD Mn) and Margin (%)



PBT (USD Mn)

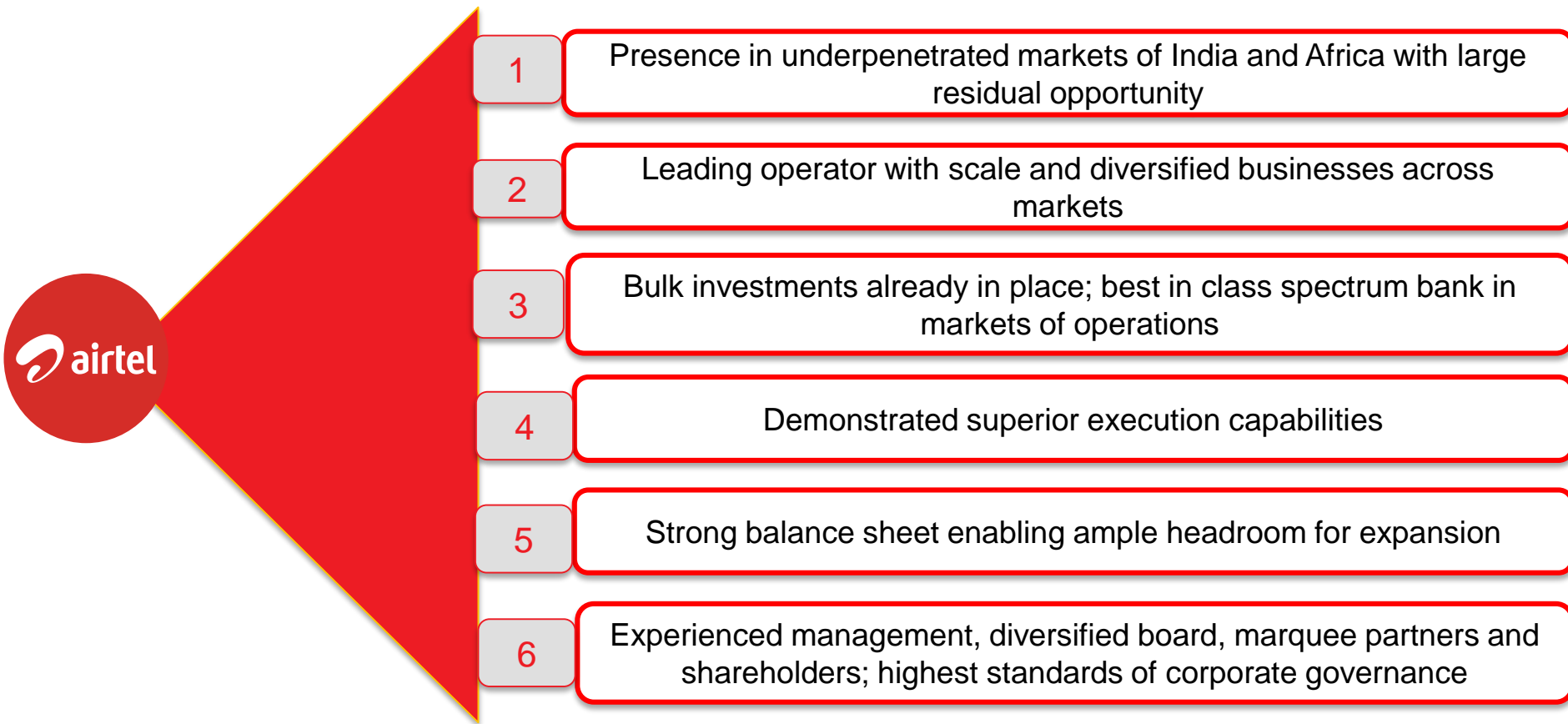


Operating Free Cash Flow (USD Mn)



Based on 14 country operations

Investment Summary



THANK YOU