

A woman with dark hair tied in a bun, wearing a green and black striped sweater, is leaning over a dark, reflective table. She is smiling and looking at a tablet device she is holding with her right hand. Her left hand is resting on the table. The background is a bright, indoor setting with a window and some plants.

# Bharti Airtel

A solid red vertical bar.

Investor Presentation  
June 2018

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# Bharti Airtel: Who Are We

**Third**

largest telecom  
operator in the  
world

Presence in

**16**

countries<sup>1</sup> serving  
around **414** mn  
customers

**#1**

operator in India<sup>2</sup>  
and

**#2**

operator in Africa<sup>3</sup>

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. Excluding JV in Africa (Ghana) 2. Only integrated operator with wireless, wireline & satellite TV. 3. Market leadership (Rank 1 or 2) in 12 of 14 countries

# 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



- **Second-fastest<sup>1</sup>** growing economic zone in the world
- **420 Million<sup>2</sup>** mobile subscribers in 2016. Expected to grow to **532 Million** by 2020.
- **Data Traffic<sup>3</sup>** to grow by a CAGR of 66% over the period of 2016-2020
- **Youth % (15-24 yrs)<sup>4</sup> - 19%**



Source 1, 2,3: GSMA Sub Saharan Africa Report 2017, Source 4: World Population Prospect 17

# Opportunity in Indian Telecom

## WIRELESS

- 1.3 bn population
- └ ~0.7 bn unique wireless customers
- └ Rural Penetration<sup>1</sup>  
~ 58.67%

## WIRELESS DATA

- ~30.37%<sup>2</sup> Mobile Broadband Penetration
- └ Mobile data<sup>3</sup> traffic to grow 7-fold from 2016 to 2021  
CAGR of 49%

## WIRED BROADBAND

- 250mn households
- └ < 5% connected
- └ Household disposable income rising

## ENTERPRISES

- 1.5 mn SMB/Enterprises
- └ < 10% connectivity

## MOBILE BANKING

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

## DTH AND CABLE

- 250 mn households
- └ Digital Cable/ DTH subscribers~ 125 mn<sup>4</sup>

Source: 1 & 2 – Telecom Subscription Report, TRAI, 3- VNI Mobile Forecast Highlights, 2016-2021, 4– Digital TV Research

# Opportunity in African Telecom

## WIRELESS



1.2 Bn Population  
(Airtel Africa covers  
547 Mn Population)

Median age < 25

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



Smartphone penetration to  
reach 50% by 2020

498 million smartphones by  
2020

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



Banking Penetration low

Mobile money services  
predominant in most  
countries

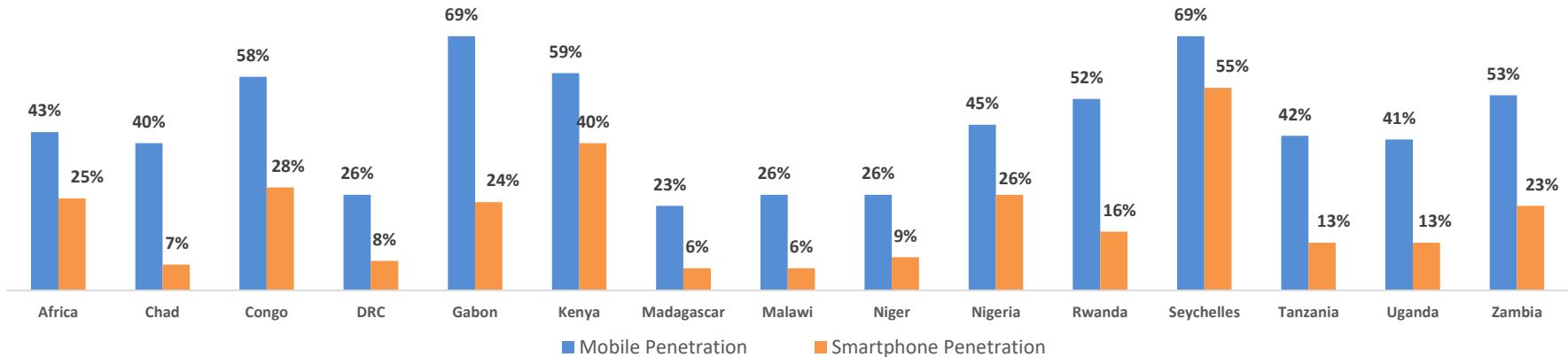
## DATA TRAFFIC<sup>3</sup>



Mobile data traffic to  
grow by a CAGR of 66%  
over the period of  
2016-2020

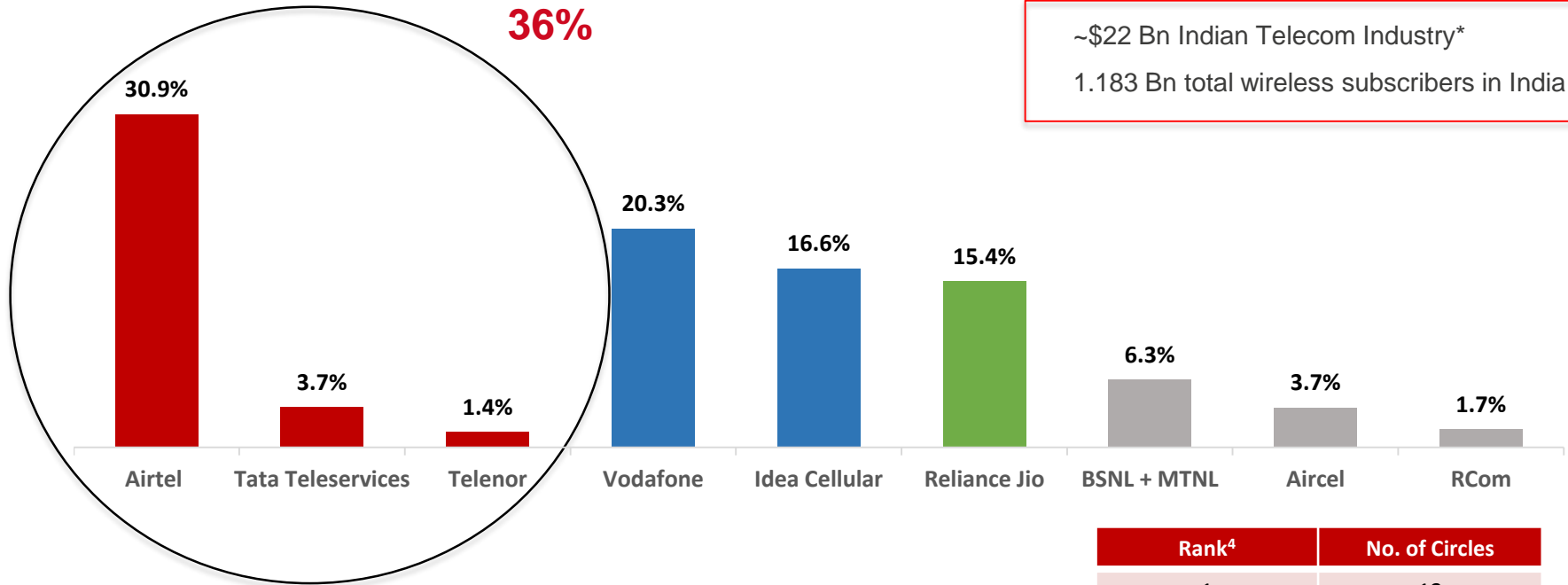
Average Mobile Penetration: 45%

Average Smartphone Penetration: 20%



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

# Leader in India Revenue Market Share<sup>1</sup>



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

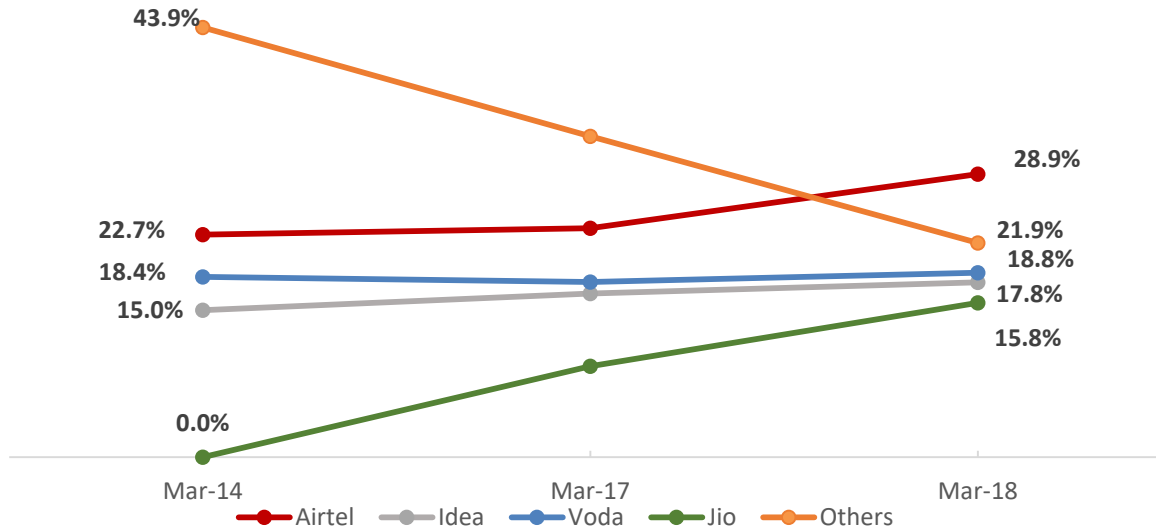
Airtel's strength across telecom circles in India

Rank <sup>4</sup>	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 merged. Tata approval pending.
4. Circle wise RMS is on the basis of Gross Revenue
5. RCOM and Aircel folded their wireless operations in Nov 2017 & March 2018 respectively.

\*Exchange rate as of March 31, 2018 - 65.18

# And Customer Market Share..



Value players are fast losing subscriber market share to incumbents

Airtel, Tata Tele Services & Telenor comprise 32% of total industry subscriber base as of March '18

Note: Airtel and Telenor merged as of May '18. Airtel includes Telenor and excludes Tata.



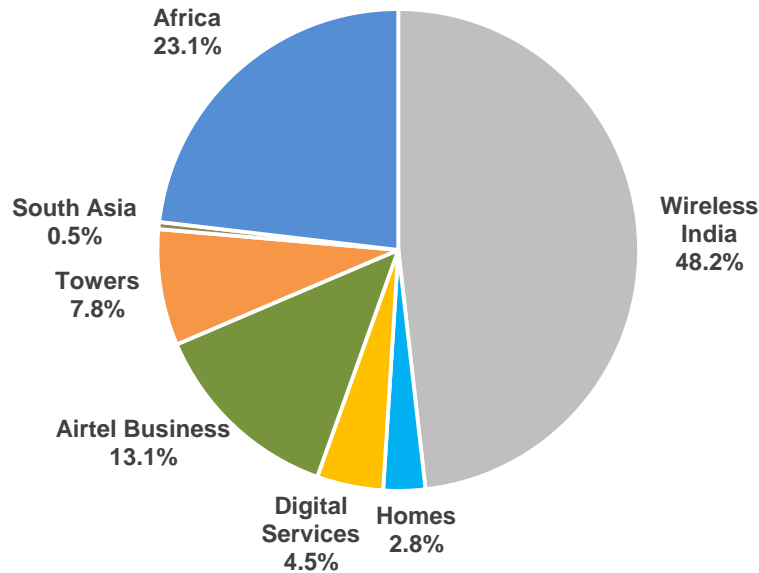
# Leading presence in Africa

Country	Market size	Key Telecom operators	Our Position	Airtel RMS %	EBITDA range	Key competitors
	(mn \$)					
Zambia	480	3	1	>40%	>40%	MTN
Niger	330	4	1	>40%	>40%	Orange
Malawi	225	4	1	>40%	>40%	TNM
Madagascar	195	3	1	30-40%	20-30%	Orange, Telma
Nigeria	4,710	6	2	20-30%	30-40%	MTN
Kenya	2,300	3	2	<10%	<20%	Safaricom
Uganda	700	5	2	>40%	>40%	MTN
Congo B	375	3	2	>40%	30-40%	MTN
Gabon	350	4	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%	30-40%	C & W
DRC	990	6	3	20-30%	20-30%	Voda, Orange
Tanzania	1,040	5	3	20-30%	<20%	Vodacom, Tigo

Source: Company Presentations

# Diversified portfolio

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

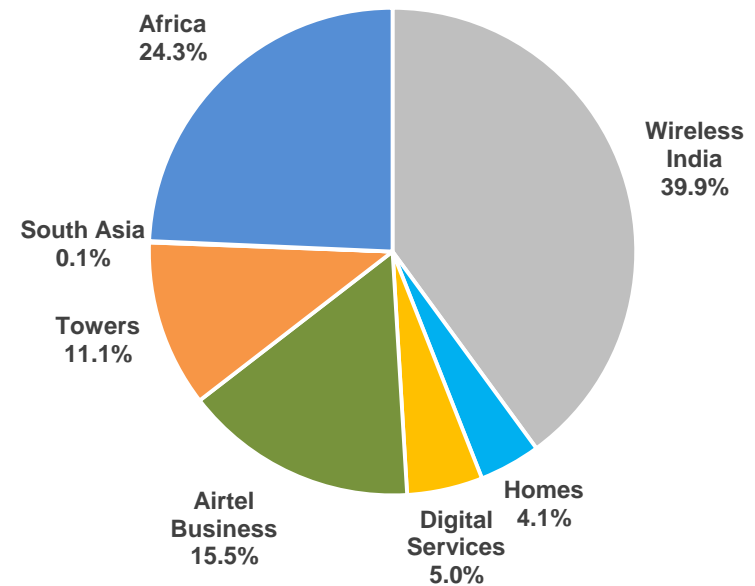


- ✓ As of Q4'18 Non-Mobile Business\* comprise of 30.8 % of Total Revenues (~26.1% as of Q4'17)

1. Excludes eliminations.

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

EBITDA Split by segments



# Investing for growth – Spectrum Holding

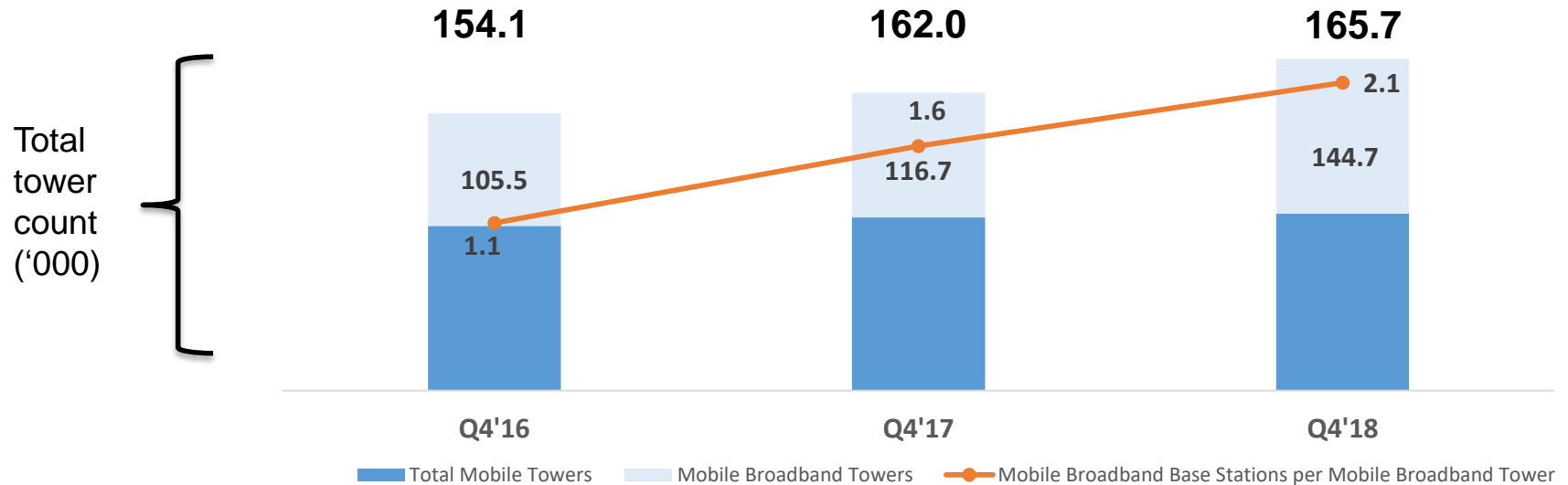
Band (Avg holding across 22 circles)	Airtel	Competitor 1	Competitor 2
800/900Mhz Paired	7.4	6.2	9.6
1800 Mhz Paired	16.1	17.9	7.4
2100 Mhz Paired	7.7	8.9	3.0
2300/2500 Mhz Unpaired	25.9	18.2	27.3

Spectrum Band	Industry spectrum	Spectrum ex-govt. operator	Airtel's holding	SMS <sup>1</sup> excl. govt. operator
900 Mhz	415	277	110.2	39.8%
1800 Mhz	1,082	1,015	355.3	35.0%
2100 Mhz	605	495	170.0	34.3%
2300 Mhz	600	600	285.0	47.5%
<b>Total</b>	<b>3,318</b>	<b>2,826</b>	<b>973.0</b>	<b>34.4%</b>

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

Note: Table excludes RCOM's Admin Spectrum

# Aggressive Network Build



National long distance fiber –over **237,893 RKms<sup>1</sup>**  
Added c. **8,037 RKms** over the past year

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

Source: Company filings

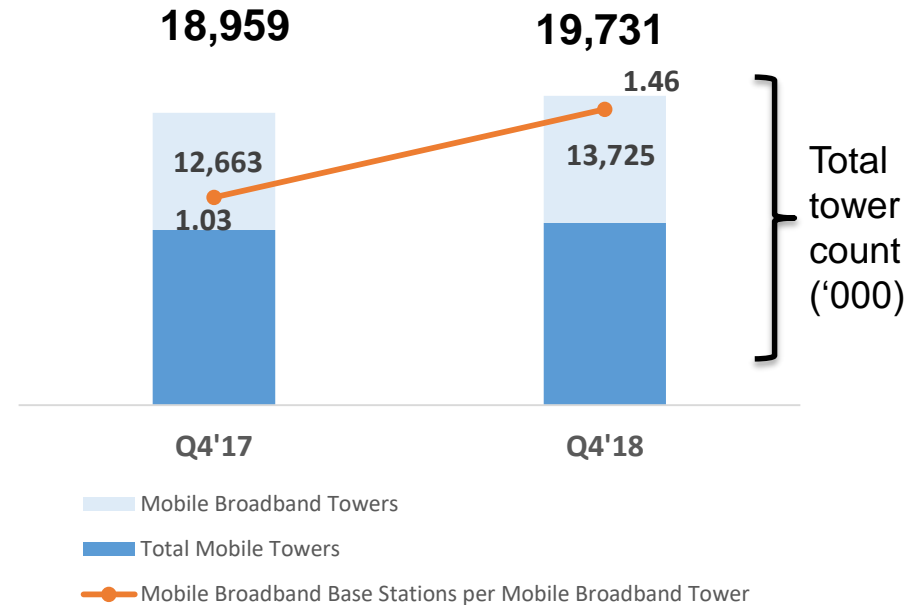
1. Excludes fiber from Tata 2. Quarterly Report Q4'18

# Africa: Invested for Growth

## Abundant spectrum across operations

OPCO	Frequency Band (Mhz)						Total
	800	900	1800	2100	2600	2300	
Zambia		10	20	20			50
Niger		10.2	10	15			35.2
Malawi		11.6	19.8	10			41.4
Madagascar		11.2	24.4	10		8.5	54.1
Nigeria		5	15	10			30
Kenya		10	10	10			30
Uganda		10.8	15	20	10		55.8
Congo B		11.8	15	15			41.8
Gabon	10	8	14	15	20		67
Chad		10	25	10			45
Rwanda		10.4	15	15			40.4
Seychelles	10	12	20	20			62
DRC		6	12	10			28
Ghana JV		13	25	20			58
Tanzania		7.5	12.5	10			30

## Mobile broadband towers ('000) – Africa





**STRATEGY**

 **airtel**

 **INDIA**

# PILLARS OF INDIA STRATEGY



```
graph TD; A[PILLARS OF INDIA STRATEGY] --- B[Win the 4G game decisively]; A --- C[Win with brilliant Network Experience]; A --- D[Build New Revenues]; A --- E[Win with War on Waste]; A --- F[Win with People]
```

Win the 4G  
game  
decisively

Win with  
brilliant  
Network  
Experience

Build New  
Revenues

Win with  
War on  
Waste

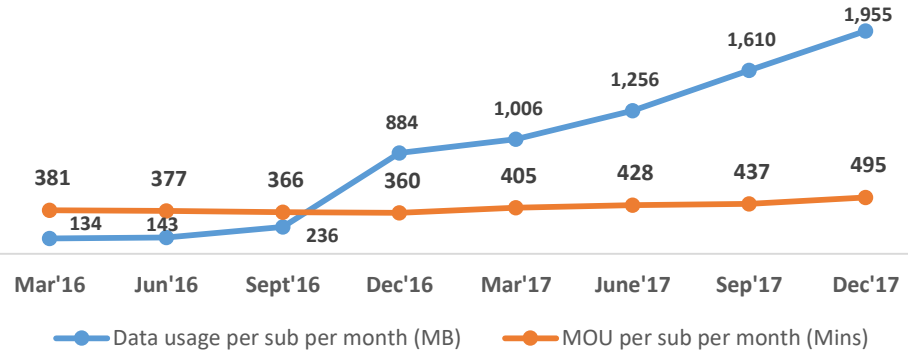
Win with  
People

# 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

Source 1: Performance Indicator Report, TRAI

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



Data Usage per sub per month	MOU per sub per month
YoY	YoY
121%	38%

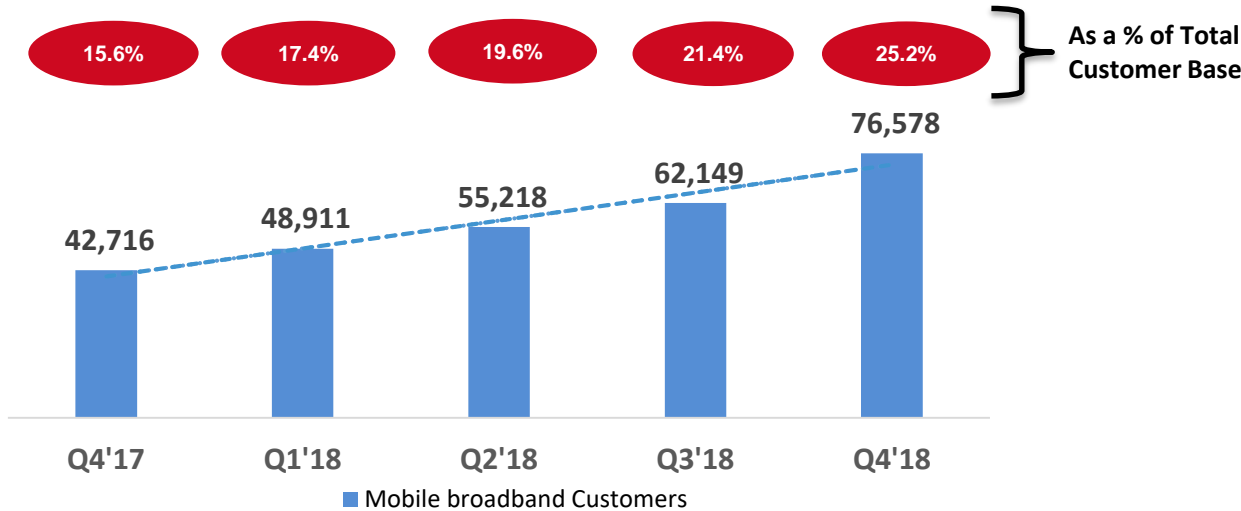
Source: TRAI

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



# Win the 4G Game decisively

## Mobile Broadband Customer Base



**QoQ  
Growth**

**23%**

**YoY  
Growth**

**79%**

- ✓ As of Q4'18, Mobile Broadband customers were 25.2% of total customer base. (~15.6% as of Q4'17)

Win the **primary 4G SIM Slot**

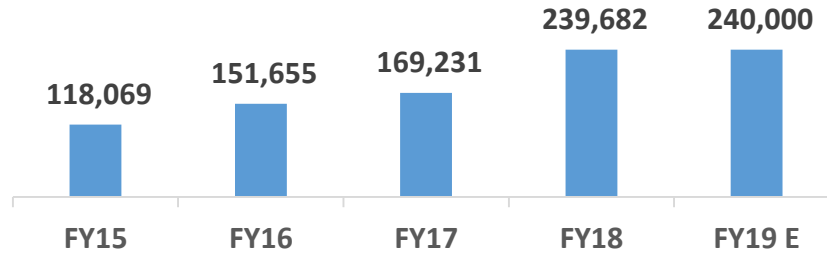
**Drive upgrades** through device partnerships and offers

Lock-in customers through postpaid and loyalty programs

Win every market and channel through **micro marketing**

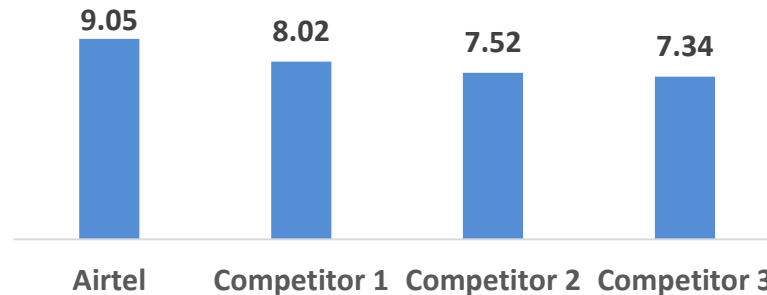
# Brilliant Network Experience

Capex - India (Rs. Mn)



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

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

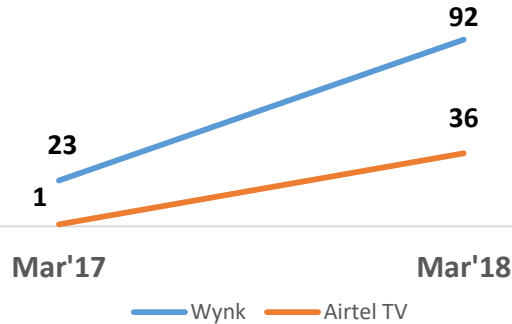


Airtel rated as India's fastest mobile network by Ookla - the global leader in broadband testing and web-based network diagnostic applications for the third time in a row.

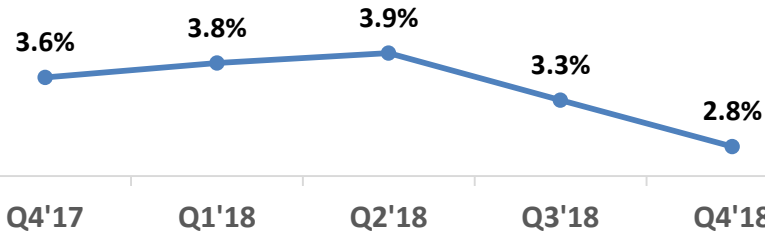
Source: <http://www.speedtest.net/awards/in/carrier/2017>

# Build New Revenues

## Wynk and Airtel TV Customers (Mn)



## Driving down churn



Source: Media articles, company announcements

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** ~ 1.42 Billion/Month
- **Wynk Music** ~ #1 app in terms of music consumption in the country.
- **Airtel TV** ~ Most downloaded video OTT app of 2018.

# War on Waste

## Opex growth<sup>1</sup> - YoY



## Mobile broadband BTS per mobile broadband tower



Drive down cost through end to end process re-engineering and digitization

1. Excludes Access costs, COGS

**STRATEGY**

**AFRICA**



# PILLARS OF AFRICA STRATEGY

```
graph TD; Title[PILLARS OF AFRICA STRATEGY] --- P1[Win with more customers]; Title --- P2[Win with Mobile Money and Data Growth]; Title --- P3[Win with Network]; Title --- P4[Win with right cost design]; Title --- P5[Win with People];
```

Win with  
more  
customers

Win with  
Mobile  
Money and  
Data Growth

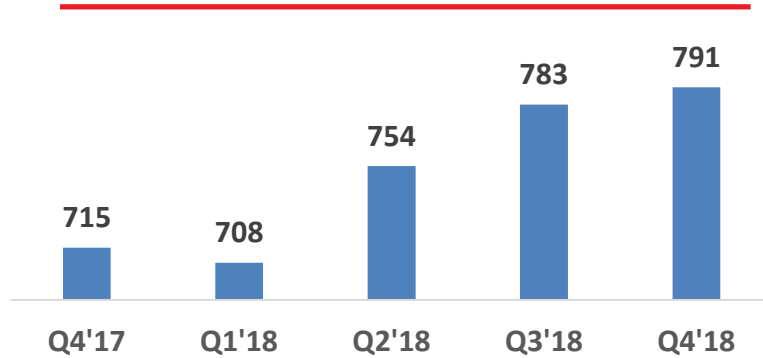
Win with  
Network

Win with  
right cost  
design

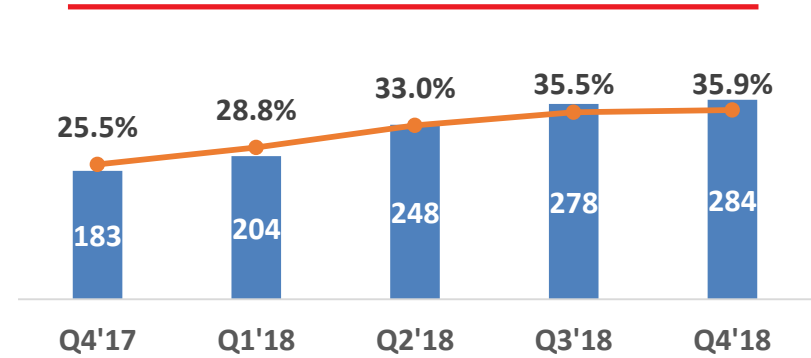
Win with  
People

# Airtel Africa on solid footing

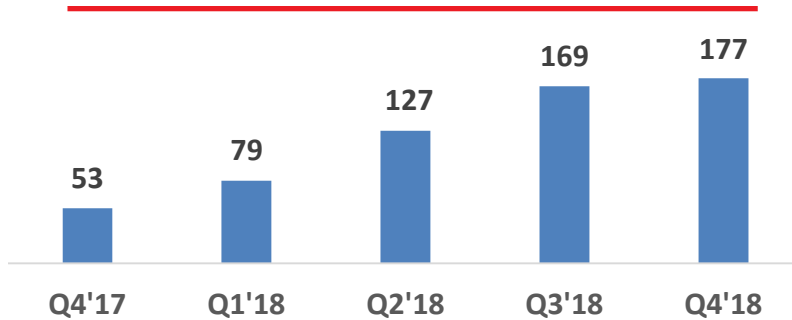
Gross Revenues (USD Mn)



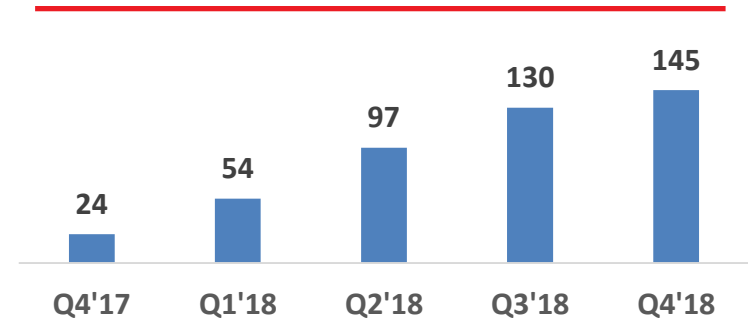
EBITDA (USD Mn) and Margin (%)



EBIT (USD Mn)



PBT (USD Mn)



Based on 14 country operations , USD Constant Currency

# While maintaining highest standards of Corporate Governance



1

Ranked #1 by Transparency International for highest standards of Corporate Governance

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

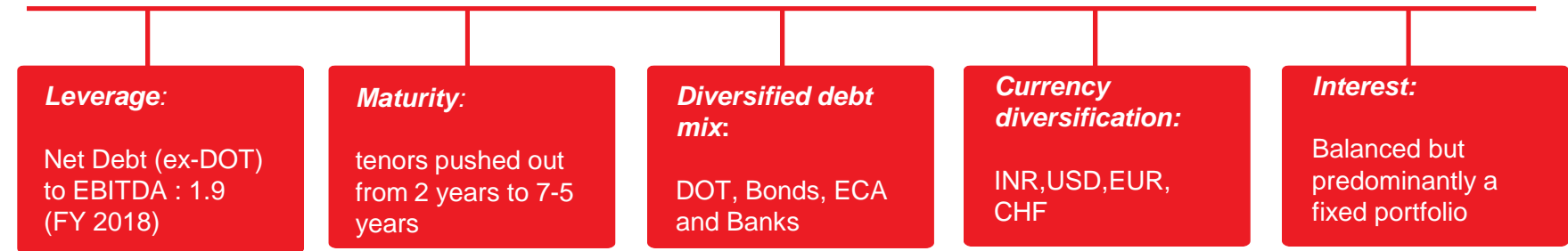


# Airtel : Financial flexibility & Balance Sheet Focus

## Focus on deleveraging: Actions undertaken since 2012



## Diversified debt profile





**THANK YOU**