

June 08, 2017

National Stock Exchange of India Limited  
Exchange Plaza, C-1 Block G  
Bandra Kurla Complex, Bandra (E)  
Mumbai – 400051

BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai – 400001

**Ref: Bharti Airtel Limited (532454 / BHARTIARTL)**

**Sub: Participation at the Investor Conference and Presentation to the Investors**

Dear Sir/ Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Company has participated at the 'Nomura Investment Forum Asia 2017' held in Singapore on June 08, 2017.

The presentation made by the Company to the investors at the aforesaid conference is enclosed.

Kindly take the same on record.

Thanking you,

Sincerely Yours

**For Bharti Airtel Limited**



 **Rohit Krishan Puri**  
Dy. Company Secretary

**Bharti Airtel Limited**  
(a Bharti Enterprise)

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CIN: I 7489901 1995PI C:070609



# Bharti Airtel



Conference Presentation – May 2017



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Actual results, performances or events may differ materially from these forward-looking statements including the plans, objectives, expectations, estimates and intentions expressed in forward looking statements due to a number of factors, including without limitation future changes or developments in our business, our competitive environment, telecommunications technology and application, and political, economic, legal and social conditions in India. It is cautioned that the foregoing list is not exhaustive

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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](mailto:ir@bharti.in)



# What Guides Us

## Customer Centricity

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

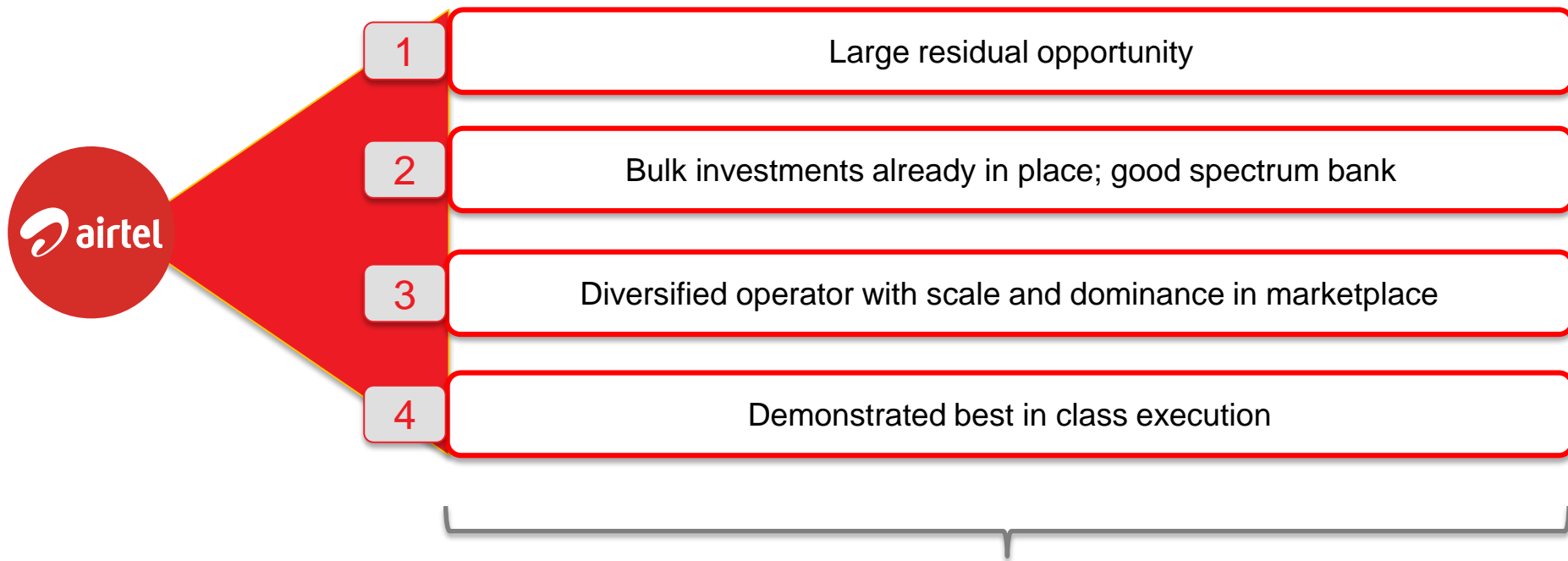
## Performance Excellence

- 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%<sup>1</sup>
- Smartphone shipments show tremendous growth. Smartphone penetration at 24%<sup>2</sup>
- Data traffic to grow by a CAGR of 63% over the period 2015 - 2020<sup>2</sup>
- Declining age dependency<sup>3</sup>
- Industry consolidation, top 3 operators account for 78% RMS<sup>1</sup>
- While core voice business continues, increasing focus is towards bundling

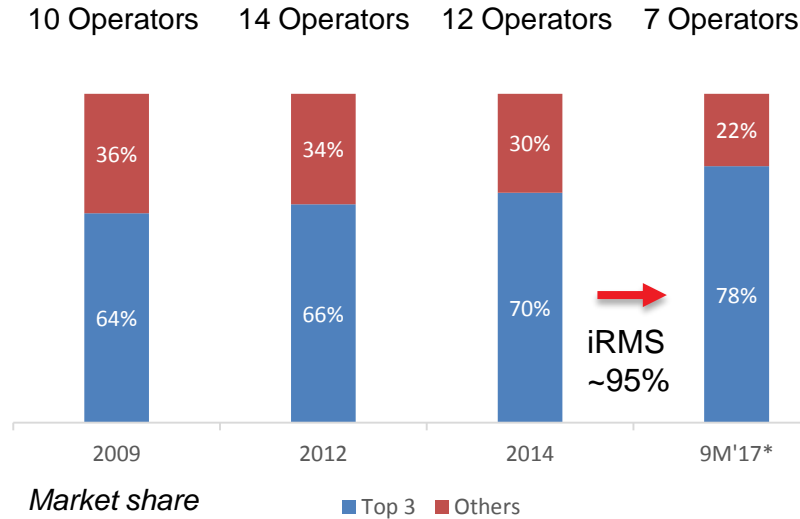
## Emerging Opportunities with Scale

- 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

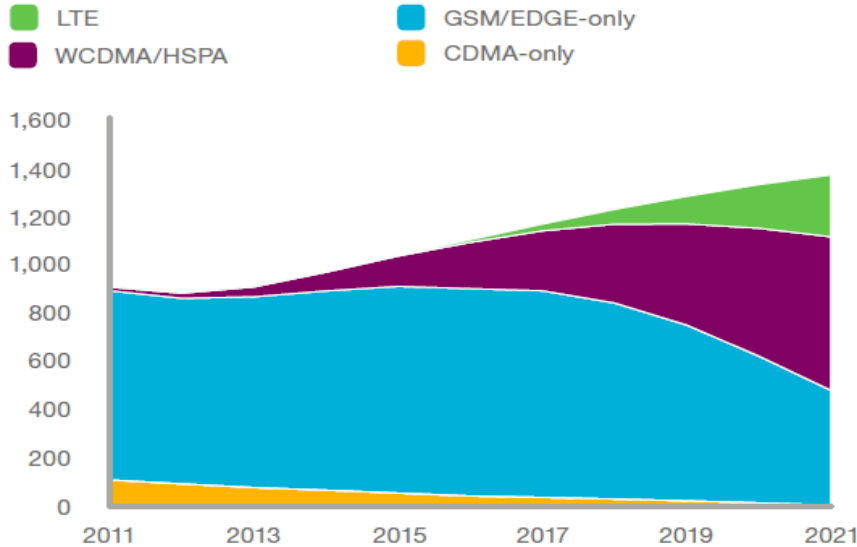
# India: Industry Consolidation Underway via Revenue Shares



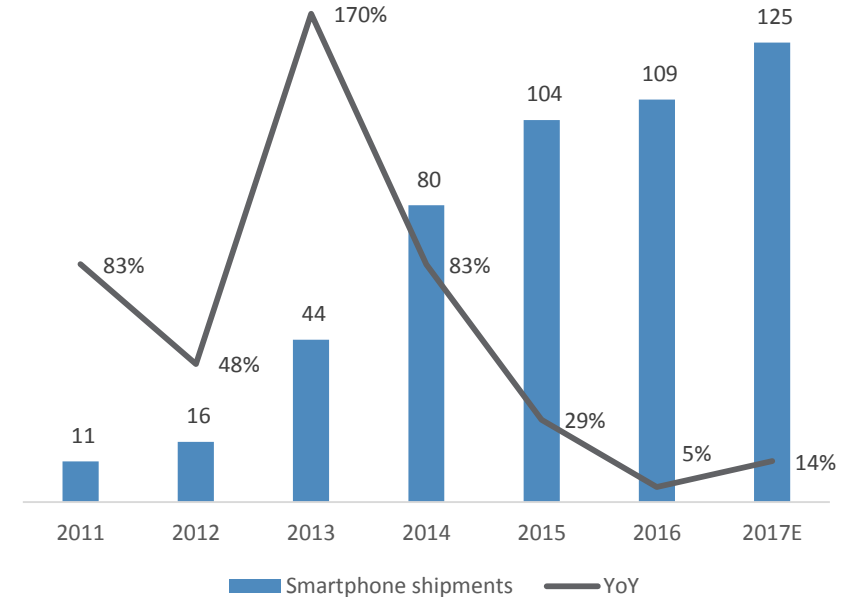
- Industry consolidation via market share gains, with top 3 now accounting for over 78% of the industry revenues as of Dec'16 including Telenor (merger subject to regulatory approvals)
- Exits by many operators post Feb 2012 SC verdict (122 licenses cancelled), many rationalized their footprints
- Spectrum auctions fortified consolidation story
- Even further consolidation WIP
  - Small players combining
  - #2 and #3 combining

# India: Transitioning to a Smartphone Market

Mobile subscriptions by technology (Mn)



Smartphone shipments (Mn)



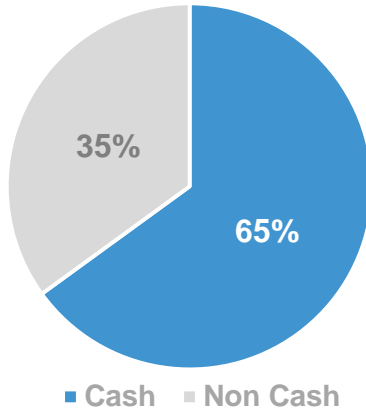
**% of 4G enabled smartphones rising: 7 out of 10 smartphones shipped in Q2 FY2016 were 4G enabled**



# Payments Bank –Untapped Opportunity

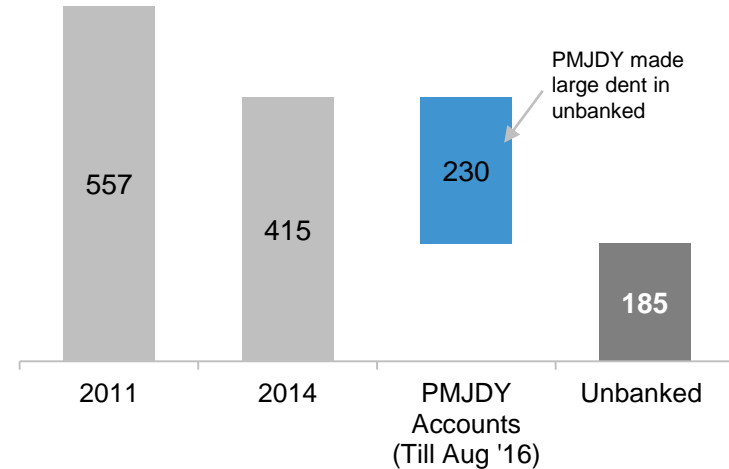
***There is a need to drive Financial Inclusion in India to digitize cash and bring the unbanked in the folds for organized banking sector***

Cash v/s non-cash transaction value



~65% percent consumer transaction by value are currently in cash

Unbanked Population (Mn)



Out of 230 Mn accounts opened in PMJDY, 25% are zero balance accounts and a higher number are non transacting

## 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: Investments to Yield Results

Nominal value of liberalized spectrum c. USD 16 billion<sup>1</sup>

Industry leading revenue yield/MHz at 2x industry avg with same cost/MHz<sup>2</sup>

Wide spectrum presence: ~23%<sup>3</sup> spectrum market share

Largest optical fiber network amongst private players

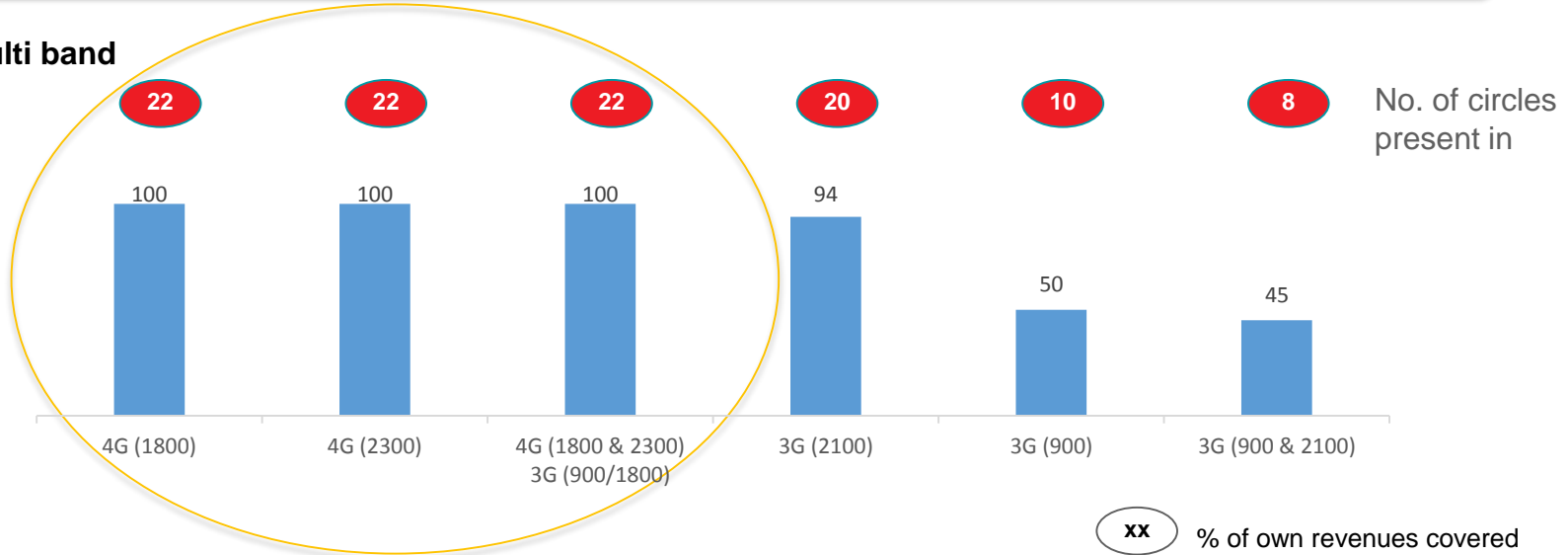
Prime spectrum to yield data growth: Pan India 3G & 4G

1. Including Qualcomm, Videocon, Aircel licenses, Telenor, Tikona (Telenor and Tikona are subject to regulatory approvals) excluding administered spectrum
2. Based on 2015 auctions
3. Includes Telenor and Tikona (deal is subject to regulatory approvals)

# India: Superior Spectrum Position

Spectrum holdings across bands; % of own revenues covered<sup>1</sup>

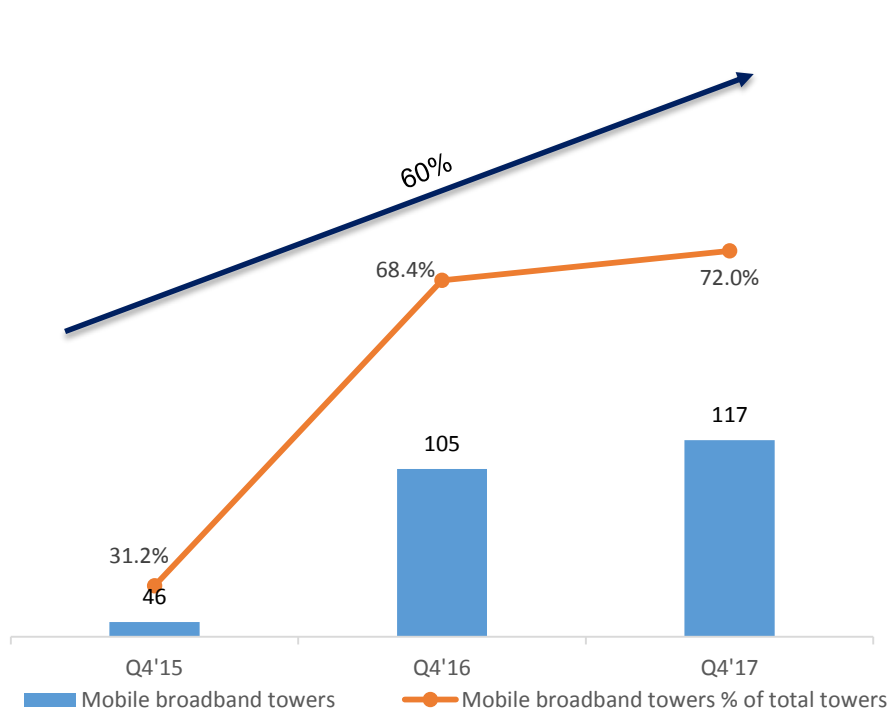
100% 4G multi band coverage



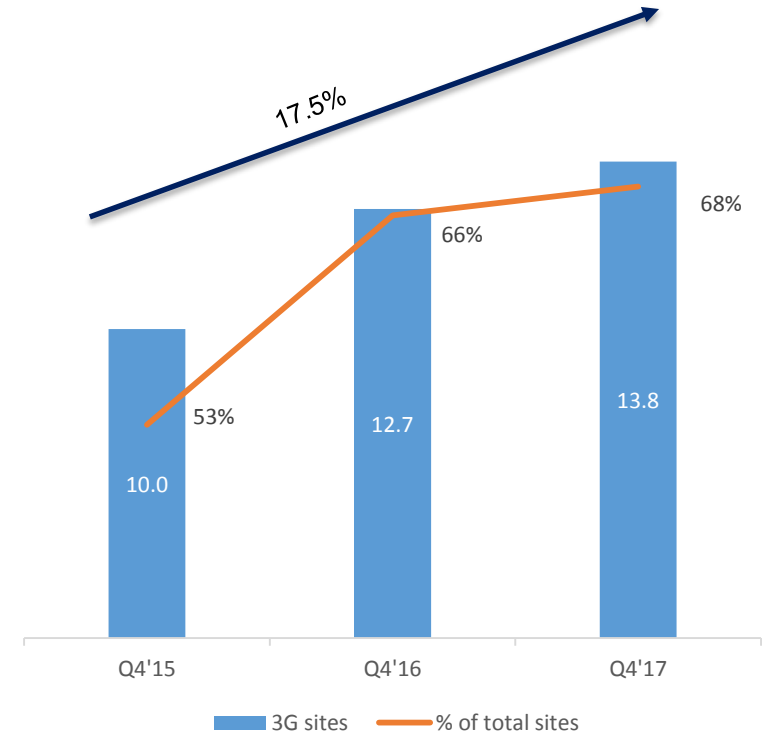
- ✓ 3G sub-Ghz available in 10 circles covering ~50% of own revenues and ~44% of industry revenue. 3G available pan India
- ✓ Pan India 3G and 4G – No Gaps
- ✓ 4G Carrier aggregation covers 100% of own revenues and 100% industry revenues
- ✓ 4G capability on 900Mhz is in 10 circles

# Aggressive Network Build - Monetize Spectrum

## Mobile broadband towers ('000) - India



## Total 3G Network Sites ('000) – Africa<sup>1</sup>



# 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 25%<sup>2</sup>
- 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 share<sup>1</sup>

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



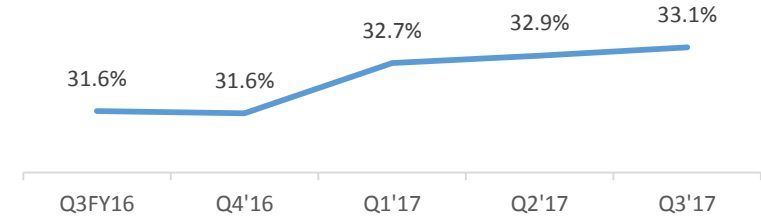
Source: 1. TRAI 2. Avg industry includes Idea, Voda and RCOM India

# Scale brings Operating Leverage

## Overview

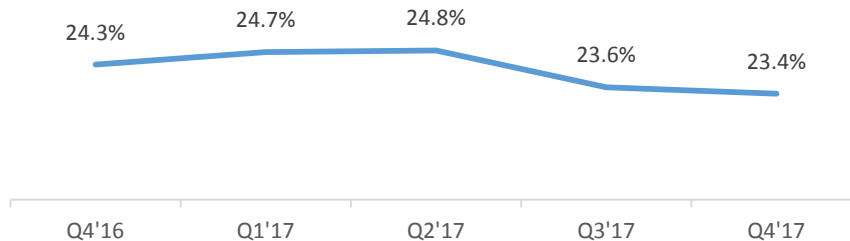
- ✓ Presence in 17 countries
- ✓ #3 Operator in the World
- ✓ #1 in India & #1 or #2 in 12 countries in Africa
- ✓ US\$ 14.2 bn Revenue<sup>1</sup>
- ✓ US\$ 5.3 bn EBITDA<sup>1</sup>
- ✓ 1.87bn addressable population<sup>1</sup>
- ✓ Only operator with Pan India 3G & 4G

## Revenue Market Share - India



**RMS of 35.6% including Telenor**

## Customer Market Share - India



**CMS of 27.7% including Telenor**



Source: Company filings

1. As of FY 2017

2. Includes Telenor and Tikona; deal is subject to regulatory approvals

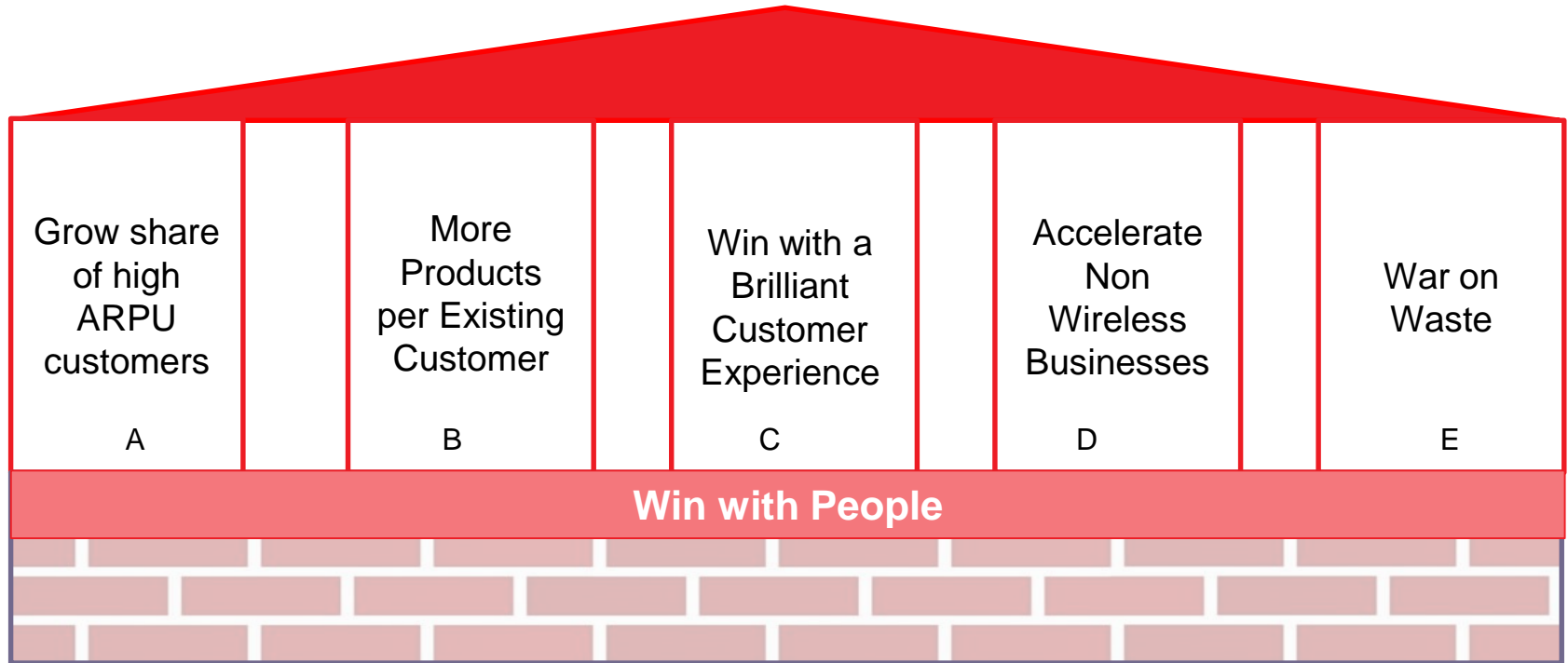
## Spectrum Scale – India<sup>2</sup>

Spectrum Band	Industry Spectrum (MHz)	Industry Spectrum ex-MTNL/BSNL (Mhz)	Spectrum held by Bharti (Mhz)	Bharti Spectrum Market Share ex-MTNL/BSNL
900	424	286	113.4	39.7%
1800	1137	1071	271.2	25.3%
2100	605	495	125.0	25.3%
2300	600	600	285.0	47.5%
Total	3391	2892	794.6	27.5%

**Multi layer data spectrum in key cities**

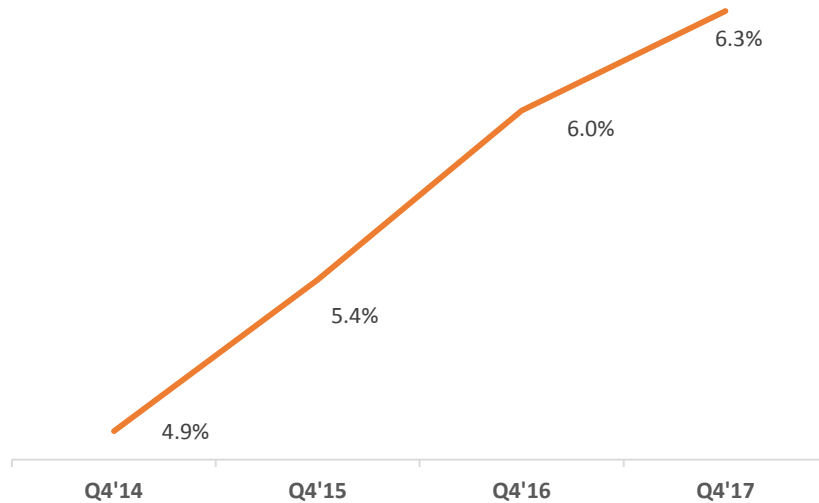


## 4. Strategic Pillars for Execution

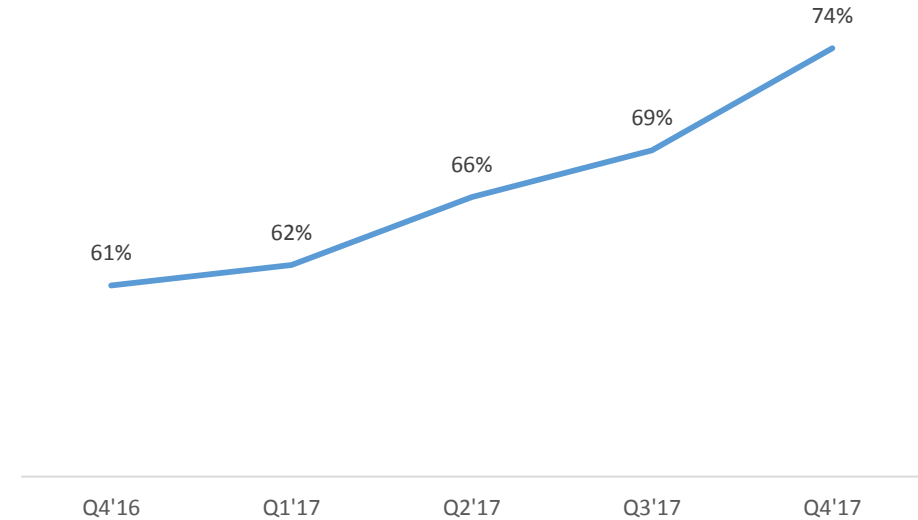


# A. Grow share of high ARPU customers

Post-Paid (as % of total Customer Base)



Mobile Broadband Customer as a % of total data customers

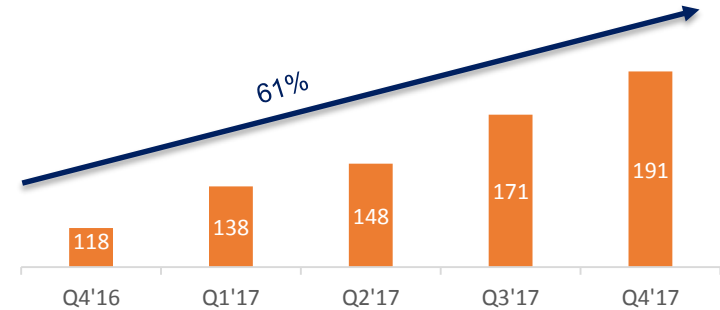


- Bundled offerings gaining traction
- Increasing share of 4G devices

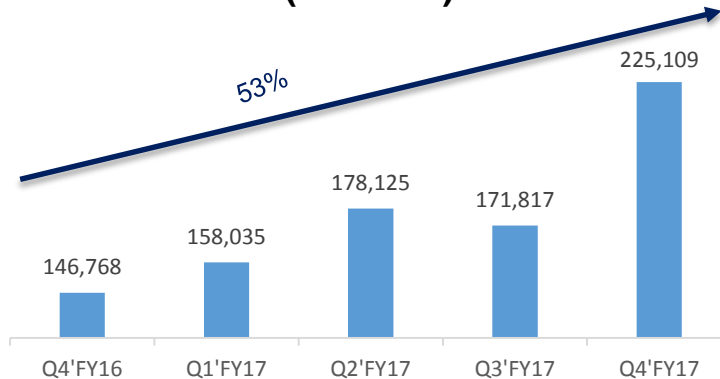
# Fast growing data business

- ✓ 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

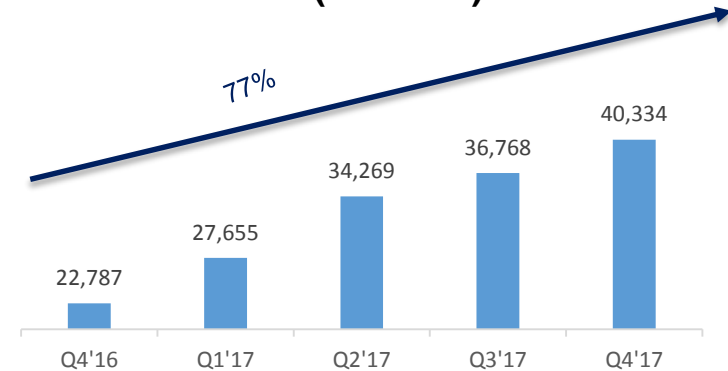


## India data volumes (mn MBs)



Source: Company filings  
1. In Constant Currency

## Africa data volumes (mn MBs)



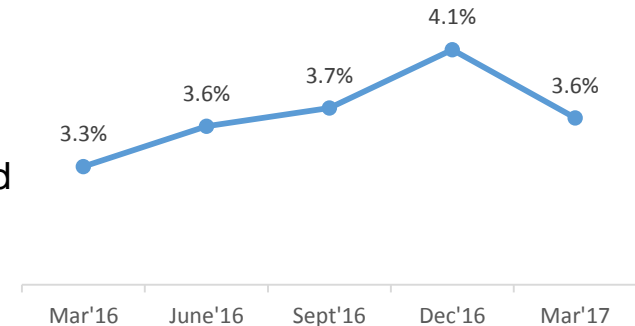
# B. More Products per Existing Customer

## 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



### 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!

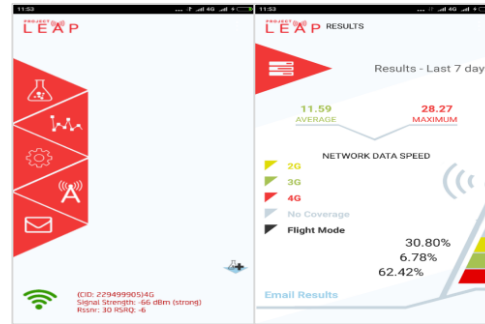
PROJECT LEAP

## Eliminate frustration

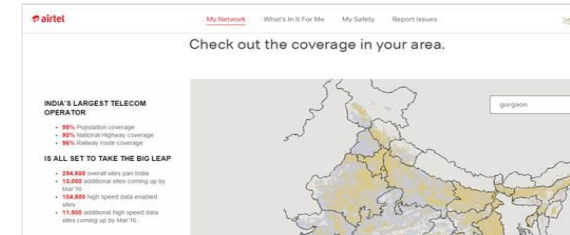


Frustration index

## Invest in tools



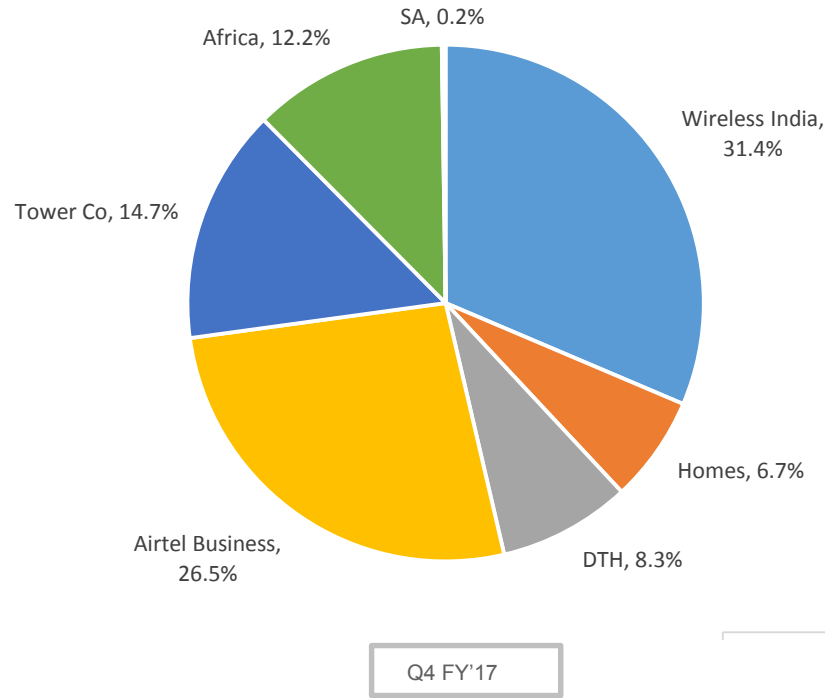
## An open network



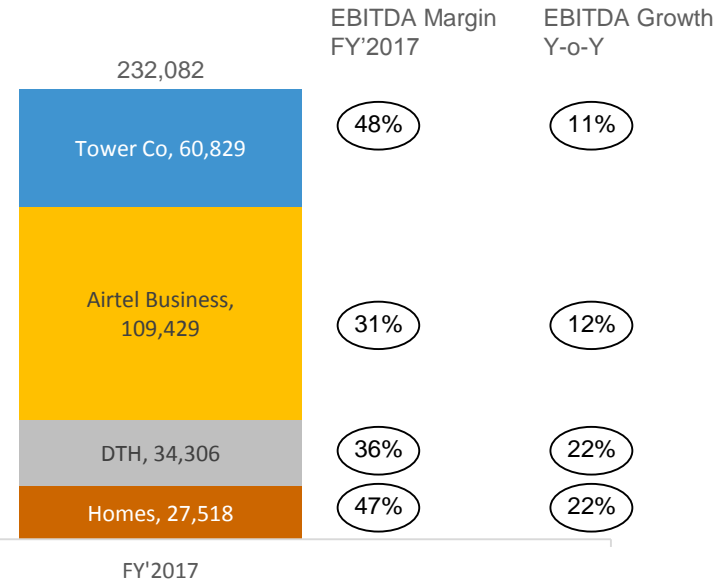
Capex Outflow	FY'17 (Bn)	FY'18 Guidance
India & SA	~\$2.6	~\$2.5
Africa	~\$0.4	~\$0.5

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

# D. Accelerate Non-Mobile Businesses



## 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

# Airtel launches India's first payments bank

## Highlights

- Committed to an investment of Rs 3,000 crore across its national operations
- Completely digital and paperless bank. Account opened within minutes using Aadhaar based e-KYC
- 250,000 Airtel retail outlets will act as Banking Points at launch, more than the total ATMs in the country. Expected to scale to over 600,000 Banking Points in coming months
- Plan to develop a nationwide merchant ecosystem of over 5 million merchants, more than a million merchants already on boarded
- Launched Airtel Payments Bank app and Online Card in collaboration with MasterCard for convenient banking and cashless payments

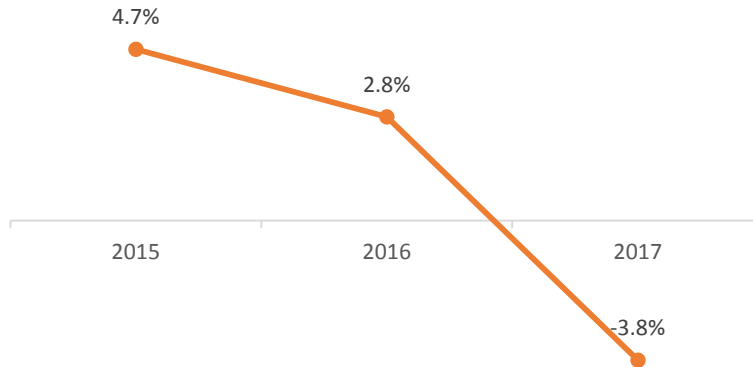
## Benefits

- Interest rate of 7.25 % p.a. on deposits in savings accounts
- The customer's mobile number will be his/her bank account number
- Free Personal Accidental Insurance of Rs. 1 Lac with every Savings Account
- One minute of Airtel mobile talk-time for every Rupee deposited at the time of opening a savings account.
- Easy deposit and withdrawal facility across a wide network of Airtel retail outlets
- USSD and IVR in 12 languages for non-smartphone customers

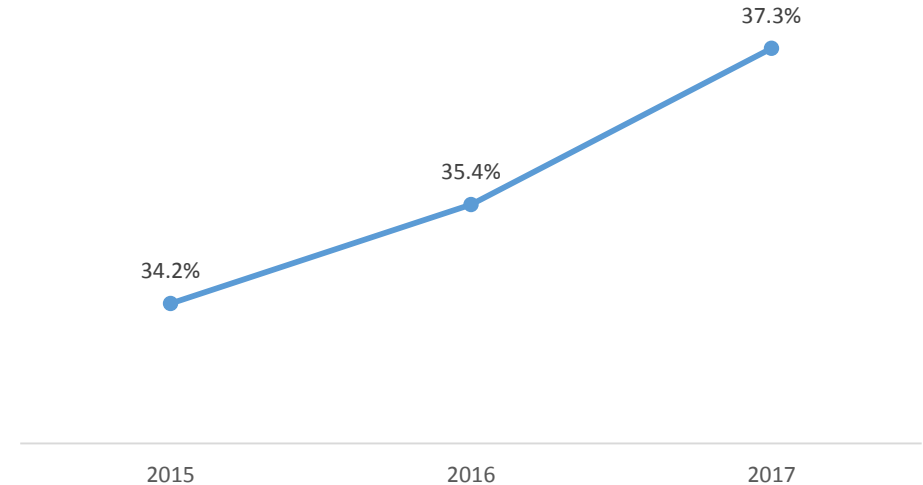


# E. Win with War on Waste

## Opex Growth YoY



## EBITDA %



Increasing Opex Productivity

Smart procurement

Frugal cost structure

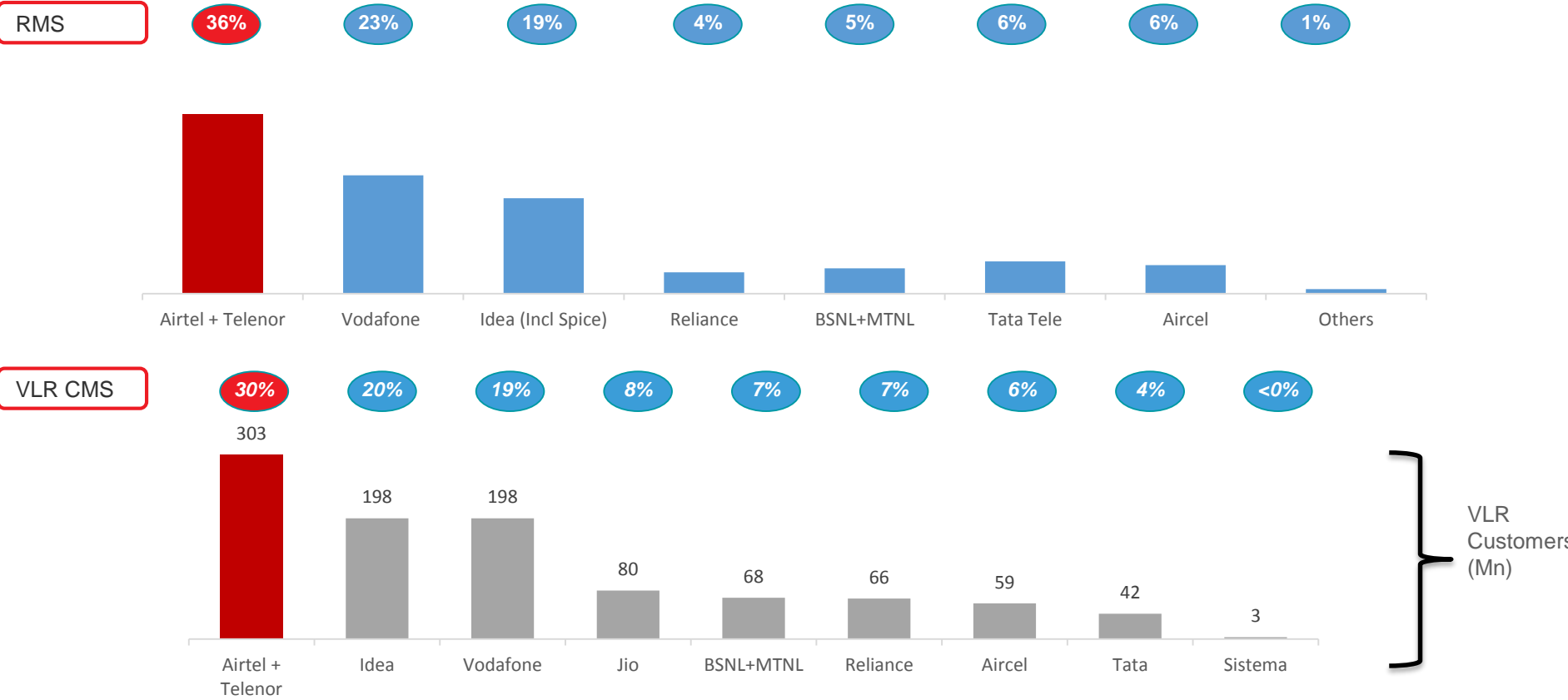
Maximizing sharing

Network re-design

Divestment of towers

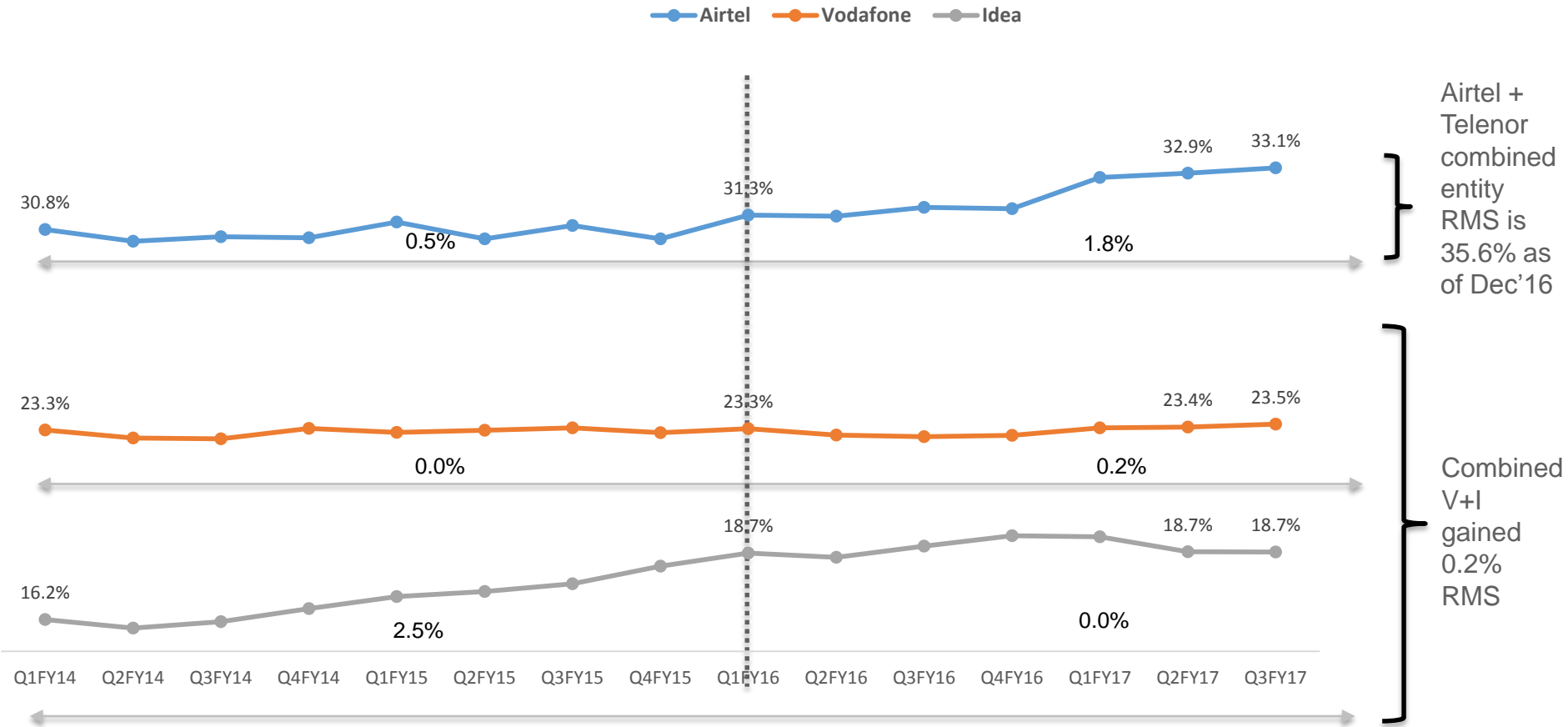


# Leader in India Revenue and Customer Market Share<sup>1</sup>



1. RMS is calculated on the basis of gross revenues. Source: TRAI  
 2. RMS is as of 9M'17 and CMS is as of March 2017  
 3. Airtel and Telenor merger is subject to regulatory approvals

# Increasingly gaining revenue market share



# BEST IN CLASS EXECUTION

## Q4'17 highlights

- **India**

- Broad based revenue growth across DTH, Homes, Enterprise segments. Mobile revenues hit in the quarter due to continuation of free pricing by competitor
- Continue healthy customer acquisitions in Mobile India; added 7.8 mn customers in Q4'17
- Data volumes up 53.4% YoY
- Voice volumes grew 23.8% YoY

- **Africa**

- Net Revenue growth 3.6% YoY in constant currency
- Data volumes up by 77.0% YoY, now 17.7% of mobile revenues
- Airtel Money has 9.0 mn active customers, up 4.3% YoY, transacting c. \$4.0 bn / quarter
- Africa turned PBT +ve in constant currency for full year

STRONG  
CORPORATE  
PROFILE

# 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*

# Highest Standards of Corporate Governance



Credit Rating and Information Services of India (“CRISIL”) has assigned its Governance and Value Creation rating “CRISIL GVC Level 1” to the corporate governance and value creation practices of Bharti Airtel

Quarterly financials audited on Ind-AS basis

IG rating from 3 International Rating Agencies

Diversified Board – 50% independent directors

SingTel representatives on the Board of the company

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

# Summary

**India & Africa remain attractive markets, with large opportunities**

**Bulk investments in place, asset restructuring in progress**

- Spectrum
- Network
- Deleveraging via asset monetization (Tower sales in Africa, sale to Orange, Bangladesh merger, Ghana merger, monetization of stake sale in Infratel)

**We are extremely well positioned**

- Large customer base
- Only operator with diversified portfolio
- Scale leading to operating leverage
- Generating significant organic free cash

**We have to continue to drive best in class execution**

**.....while maintaining strong balance sheet focus for returns as well as enhanced financial flexibility**

**THANK YOU**