



May 19, 2025

National Stock Exchange of India Limited

Exchange Plaza, C-1 Block G
Bandra Kurla Complex, Bandra (E)
Mumbai - 400051, India
Symbol: BHARTIARTL/ AIRTELPP

BSE Limited

Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400001, India
Scrip Code: 532454/ 890157

Sub: Transcript of the Earnings Call dated May 14, 2025

Dear Sir/ Ma'am,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the transcript of the Earnings Call held on May 14, 2025 in respect of the audited financial results of the Company for the fourth quarter (Q4) and year ended March 31, 2025.

The transcript of the call is also uploaded on the Company's website i.e. <https://www.airtel.in/about-bharti/equity/results>

Kindly take the same on record.

Thanking you,
Sincerely yours,

For Bharti Airtel Limited

Rohit Krishan Puri
Joint Company Secretary & Compliance Officer

Encl.: As above

Bharti Airtel Limited
(a Bharti Enterprise)

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Conference Call Transcription

Event: Transcript of Bharti Airtel Limited and Bharti Hexacom Limited
Q4 Ended March 31, 2025 Earnings Webinar

Event Date/Time: May 14, 2025/ 1430hrs.

Transcript of Bharti Airtel Limited and Bharti Hexacom Limited Q4 Ended March 31, 2025 Earnings Webinar

CORPORATE PARTICIPANTS

Mr. Gopal Vittal

Vice Chairman & Managing Director, Bharti Airtel Limited

Mr. Shashwat Sharma

CEO Designate - Bharti Airtel Limited

Mr. Soumen Ray

Chief Financial Officer - India & South Asia - Bharti Airtel Limited & Non-executive Director, Bharti Hexacom Limited

Mr. Harjeet Kohli

Joint Managing Director - Bharti Enterprises

Mr. Naval Seth

Head of Investor Relations - Bharti Airtel Limited & Bharti Hexacom Limited

Mr. Akhil Garg

Financial Controller - Bharti Airtel Limited & Chief Financial Officer, Bharti Hexacom Limited

Vaidehi Sharma – Moderator

Good afternoon, ladies and gentlemen. I am Vaidehi Sharma, the moderator for this webinar. Welcome to the Bharti Airtel Limited and Bharti Hexacom Limited fourth quarter ended March 31, 2025 Earnings Webinar. Present with us today, is the senior leadership team of Bharti Airtel and Bharti Hexacom Limited. I must remind you that the overview and discussions today may include certain forward-looking statements that must be viewed in conjunction with the risks that we face. Post the management opening remarks, we will open up for an interactive Q&A session. Interested participants may click on "Raise Hand Option" on your Zoom application to join the Q&A queue. The participants may click this option during the management opening remarks itself to ensure that they find a place in the queue. Upon announcement of name, participants to kindly click on "Unmute Myself" in the pop up screen and start asking the question post introduction. With this, I would now like to hand over to Mr. Gopal Vittal for his opening remarks.

Gopal Vittal — Vice Chairman & Managing Director, Bharti Airtel Limited

Thank you Vaidehi. A very warm welcome to the earnings call for Q4 FY2025. With me on the call I have, Shashwat, Soumen, Harjeet, Naval and Akhil. I will focus on our fourth quarter as well as our full year performance today along with an update on our strategic priorities, but before I switch and get on to our performance, let me start with the ESG.

We are advancing our ESG agenda with consistent progress. Our recent initiatives included collaboration with Nokia on Green 5G, the use of AI/ML to improve energy efficiency of our radio network. Nxtra is the first data center in India also to deploy AI for next-generation facilities, increasing the asset life, and reducing non-IT power consumption by 10% each. We have now solarized more than 30,708 sites.

Let me now turn to our financial performance and I will do a quick roundup on FY2025. We delivered another year of strong performance. Our consolidated revenues came in under 173,000 Crores. This was impacted by Africa currency devaluation during most of the year. The silver lining of course, was a steady Naira as we ended the year. EBITDA after FLO and lease obligations recorded a growth of 21.2%, with a continued margin improvement of about 2.3%. India revenue and EBITDAaL excluding Indus Towers grew by 15.3% and 20.2% respectively. EBITDAaL margin at 48% expanded by around 2% despite absorbing the full 5G cost and continued network expansion. India capex for the year was about 30,270 Crores. This was lower than 2024, as we had guided. Operating free cash flow, which is really EBITDAaL minus capex, was solid at just under 31,400 Crores. Disciplined capital spending and operational excellence has strengthened our balance sheet. In the last two years, we prepaid the entire high cost DoT debt from past spectrum auctions. This was totaling to about 42,000 Crores; and India net debt to EBITDAaL now stands at 1.5. Our focus, strategy and sharp execution is driving performance across our businesses.

On mobility, it was yet another year of share gain across every circle, every circle gained share. Broadband growth has gained momentum and at the same time I still believe we need to raise our game even further. We have now launched IPTV, which will further enhance our customer experience, drive convergence, as also lower our capex spend on the box. Network expansion was as planned, with 19,858 network sites and about 44,400 kilometers of fiber that we deployed. Fiber deployment, as I mentioned, remains a strategic priority with accelerated rollouts and almost nearly 7.2 million home passes added. Our fixed wireless access was launched in over 2500 cities.

Let me now turn to the Q4 performance. Consolidated revenues came in at 47,876 Crores and this was impacted by a decline in our B2B segment, which was in line with what we had guided last quarter to focus on quality revenues. India

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revenues, excluding Indus, came in at 33,100 Crores. EBITDAaL margins came in at 50.7%, this is an improvement of 1.4%. We prepaid another tranche of high cost DoT spectrum debt of 5985 Crores.

Let me now share a quick update on each of our segments.

In the mobile business, we added 5 million customers to our revenue earning base and 6.6 million smartphone data customers. Postpaid net adds has remained steady at 0.6 million. ARPU was at 245 that was flat sequentially, but remember, it was impacted by two less days in the quarter. On an equal day basis therefore, ARPU stood at Rs.248. I do want to underscore that the key ARPU drivers, which are feature phone to smartphone upgradation, prepaid to postpaid upgradation, data monetization, and international roaming penetration still remain intact. We are on track with our 5G expansion, having added about 25,000 new sites in the full year FY2025. We closed the quarter with 135 million 5G customers. 5G devices now represent 85% of the total smartphone shipments and we continue to capture our fair share of the 5G device market.

In the broadband segment, we added 8.1 lakh customers and rolled out over two million FTTH home passes. We further strengthened our content offering by signing an exclusive partnership in India to offer Apple TV and Apple Music to both our Wi-Fi as well as postpaid customers. During the quarter, we also signed an agreement with SpaceX to bring Starlink's high speed Internet to our customers where they are not able to access terrestrial networks. Starlink will therefore complement and enhance Airtel's suite of products to provide ubiquitous connectivity across the country to our customers.

On Digital TV, we added 76,000 customers during the quarter, largely aided by our IPTV launch. Despite DTH industry headwinds, we have achieved a record high in market share. We are also making structural changes to our DTH business by completely eliminating subsidies and we believe this will dramatically impact our cash flows. Our IPTV launch has seen encouraging response from customers. IPTV, as you know, delivers enhanced convenience with a better user experience, flexibility to watch on demand, as well as catch up content in addition to linear broadcast content.

Airtel Business reported revenue of 5316 Crores. As mentioned in the last call, the sequential decline is on account of our strategy to move away from commoditized low margin businesses. The underlying business continues to see traction and has seen some step up in performance in this quarter. During the quarter, we also landed two subsea cables, SEA-ME-WE 6 and 2Africa Pearls, strengthening our global connectivity offering.

On the digital businesses, we continue to add muscle to our digital portfolio with Cloud, which we have launched just now. Cybersecurity, Financial Services, IoT and CPaaS and all of these are getting additional investments. Airtel Finance is growing fast and our new partnership with Bajaj Finance will further bolster our portfolio.

On the Payments Bank, our monthly transacting users now stood at just under 100 million, they are at 96 million, growing 10% sequentially. The annualized revenue run rate stands at 2900 Crores, which has grown by 35% year-on-year. Deposits remain strong at over 3600 Crores, growing 30% year-on-year.

A quick update on Africa, the underlying constant currency revenue growth was strong at 3.5% sequentially. With stabilization in the Naira, reported revenue growth came in at 6.3% sequentially. EBITDAaL was 4085 Crores with a margin of 35.9%. The balance sheet for Airtel Africa remains solid, with net debt to EBITDAaL of 0.9.

Let me now comment on each of our areas of focus.

We continue to build a diversified and resilient portfolio. The underlying performance across the portfolio remains strong. Africa now accounts for 24% of revenues, India mobile is at 56% and India non-mobile and Indus is at 14% and 7% respectively. Our investments are directed towards future proofing Airtel and reshaping our portfolio to drive growth across segments.

The second area of focus is to win quality customers. Let me start with broadband. We see strong tailwinds, led by growing penetration for smart TVs and changing content consumption habits. We estimate the industry brace to grow up to 80 to 90 million homes from the current level of 46 million. To capitalize on this growing opportunity, we are focusing on three areas. First, we are expanding our market presence with continued rollout of fiber home passes and offering fixed wireless access in newer pin codes where we have not been able to get fiber in. Over the past three years, we have extended our fiber network across 629 cities and are deepening our coverage to accelerate share gain. We are adding over 1.7 million fiber home passes per quarter with a plan to increase this further. Second, we continuously enhance the value we deliver by offering compelling content bundles and driving convergence. As I had mentioned, we have strengthened our broadband offer through exclusive partnership with Apple TV and Apple Music. This, combined with Xstream's 22 OTT apps that we have aggregated into the platform, gives us a competitive edge. The third area of focus is channel expansion. As I mentioned last quarter, this was a top priority for us. Today, I would say all our channels now sell all our services and this is continuing to accelerate our growth. This integrated approach will help us expand our footprint and drive momentum in the broadband segment.

Let me now turn to mobile. As I had mentioned earlier, India mobile tariff continues to remain one of the lowest globally and needs further repair. We have also said that the current telecom tariff structure in India is broken, with a one-size-fits-all pricing model, which is not appropriate for upgradation, nor is it in line with any other market. Restructuring the tariff architecture is essential to improve financial health of the industry and sustain future investments. This could simply mean reducing data allowances on some of the packs and charging more for those who can afford to pay. The other area of

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focus on mobile continues to be postpaid. Smartphone upgrades are a second area of focus and driving penetration of international roaming is a third area of focus. While our rural rollout has driven our market share gain trajectory, we still have an opportunity, I believe, to sweat all our assets. We do not believe that the rollout in coming year will be accelerated. This rollout will substantially lower as we have completed our footprint today.

Let me now turn to B2B. The B2B market is evolving rapidly and provides strong opportunities for growth. Connectivity is growing at a modest pace, while adjacencies are growing at a much faster clip contributing almost 90% of overall industry growth. We are focusing on three areas here. First, to build the right mix of services to sharpen our offerings. Over time, customer needs have shifted to a solution approach and we are well positioned to address these competitively with our comprehensive suite of products that includes Cloud, Cybersecurity, Managed Services, CPaaS, and IoT. Cloud is a critical need for all customers and we are addressing this with our Telco-Grade Cloud. It really is a fully sovereign and regulated offer built with the best technology. It optimizes the total cost of ownership, provides Telco-Grade reliability to our customers and it is built on our own learnings of running one of India's largest private cloud. This is a cloud on which every one of our applications run. We have now done round tables across the country and we are taking this to market in the month of June. The second focus area is on customer experience and delivery assurance. We are investing in flapless low latency networks in key locations, upgrading the existing infrastructure, and deploying advanced digital tools to ensure more reliable and predictable service delivery. To further enhance network resilience, we are also investing in OPGW fiber infrastructure. In addition, data centers continue to be a strategic part of our enterprise offer and we are scaling up investments to meet the growing demand. The third focus area is to build world class account management and leveraging digital tools to drive productivity, offering the right solution, superior customer experience, and on-time delivery, we believe, will drive a higher share of customer wallet for us.

The third pillar of our strategy is the obsession to deliver brilliant customer experience. We have doubled down on our efforts to enhance our network experience through increased use of digital tools. Over the last few quarters, we rolled out a 1 kilometer by 1 kilometer network grid view. This basically means that the country is divided into a million grids and this is now delivering encouraging results to reduce churn across key markets. We have now taken this one step further and have honed the visibility down to 100 meter by 100 meter grid. This level of granularity enables us to identify network issues more precisely and resolve them structurally. In addition, we use AI and ML tools extensively to improve performance and drive sustainability in our network. Our industry first anti-SPAM tool has led to significant relief for our customers. We have identified over 27.5 billion SPAM calls to date, translating to an impressive 1560 SPAM calls every second. Since its launch in September 2024, Airtel customers have seen a 16% reduction in SPAM calls. We continue to strengthen our fight against SPAM and you will hear more about this in the coming days, with the launch of new features.

Deep obsession with our customers stems also from the culture that we have built over the years that really is predicated on ownership and an entrepreneurial spirit. As I have said before, there are only two types of people at Airtel, those who serve customers and those who serve those who serve customers. This is why we encouraged our employees, yet again, this year to work for a full day alongside our frontline teams, so every one of our employees went out to the market and worked with our frontline teams. This initiative has helped generate insights, ranging from network infrastructure to service delivery and assurance that are already being translated into themes for action.

The fourth pillar of our strategy is to build and leverage our digital capabilities. Over the years, we have transformed our digital platforms and fully wired it into our ways of working. Two additional focus areas we are working on today. First, building gold standard digital tools on top of these platforms. These tools help us simplify our ways of working, drive efficiency and enable us to identify new growth avenues. The second, is the translation from the product to platform approach has given us solid results in B2C business and is now being extended into our B2B business. We have now started work on embedding AI at the very center of our platforms in the core of our operations. You will hear more about this in the coming quarters.

The fifth and last pillar of our strategy is war on waste. This is central to our operations. In FY2025, we saved over 2200 Crores of network opex. We believe there is always room to strip out waste in our business.

To sum up, overall we delivered yet another strong year of performance. The flow through of tariff repair was in line with our expectations. We continue to see strong growth opportunities in postpaid, in broadband, in convergence, and B2B. We are well capitalized to seize these growth opportunities. Our disciplined approach, with well-planned and calibrated capex, financial prudence, and sustained deleveraging is reflected in our solid balance sheet. I want to reiterate that our FY2026 capex will be lower than FY2025, as we have done a lot of heavy lifting over the last two years. We will continue to channelize our investments to future proof Airtel and build digital services at scale. Finally, I want to underscore that industry does need further tariff repair for sustained financial health and to support continued investments and deliver a respectable ROCE to the business. With that, let me hand back to the moderator.

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Vaidehi Sharma – Moderator

Thank you very much Gopal. We will now begin the Bharti Airtel Q&A interactive session for all the participants. Please note that the Q&A session will be restricted to analyst and investor community only. Due to time constraints, we would request if you could limit the number of questions to two per participant to enable more participation. Interested participants may click on "Raise Hand option" on your Zoom application to join the Q&A queue. Upon announcement of name, participants to kindly click on "unmute myself" in the pop-up screen and start asking the question post introduction. Participants are also requested to limit their questions to Bharti Airtel till 03:30 pm, as the management will start the Q&A discussion on Bharti Hexacom from 3:30 onwards. With this, the first question comes from Mr. Piyush Choudhary. Mr Choudhary, you may please unmute your side, introduce yourself and ask your question now.

Piyush Choudhary – HSBC

Hi, good afternoon and thanks for the call. Congrats on the set of numbers. This is Piyush from HSBC. Two questions: firstly in terms of capital allocation, would you intend to further increase stake in Airtel Africa or Indus Towers and any minimum net debt to EBITDA threshold which you like to maintain and beyond which surplus capital would be used to pay a dividend? Secondly, you mentioned capex will be lower in fiscal 2026, but any colour on how much lower can it be, will it be at the same pace as we saw in fiscal 2025? And we saw in fourth quarter there was a surge in Airtel Business capex, any reason for that? Thank you.

Gopal Vittal — Vice Chairman & Managing Director, Bharti Airtel Limited

Thanks. So, let me start with your second part of your question. The increase in Airtel Business capex was largely on account of some investment that we made on Cloud. As I mentioned, we are taking this to the market in June, plus, we made some additional investments in our data centers, but otherwise, it is business as usual. How much lower the capex will be for next year, I am not in a position to comment in specific terms. What I can tell you is that it will certainly trend downwards and the reason I say this is that the rural rollout will substantially slow down. There are a few more areas, particularly in some of our challenger circles where our coverage is low, for example in MP, in Maharashtra, in Gujarat, we will continue to do a little bit of radio rollout there. There will be some 5G rollout and so the radio rollout will come down substantially. The transport side is a consistent kind of capex that we put in and that will continue and the rest of the businesses will get their fair share. So you will see certainly a moderation in capex. On Africa, I want to give you a little bit of a background. If you recall, we were forced to sell down in the past due to cash flow issues and the fact is Africa is growing solidly and even more than India, it is almost a 2x in terms of growth and you will appreciate that all companies need growth and here we have got one nicely set up in a large set of 14 countries. This is a big, big advantage. So we will take more and back it if we believe in it. All our buying has been at good value, our last block was at about 132 pence and now, it is at 170 odd pence, which gives us good foreign exchange hedge. The asset is in pounds even though underlying currencies are volatile, but reported growth is also at 15%. It is solid, it is also dividend paying and therefore we will look at opportunities to buy more. Indus has no plans at this point in terms of buyback. A committee was set up to review the dividend, review it between dividend, buyback, etc., and as a significant shareholder, we will certainly do the right thing. Airtel, as you know, has announced a big stepped up dividend and so, we will expect this trend to continue. So the reason I am giving you a slightly longer answer is we want complete flexibility on the use of cash. It will always be in the best interest of the company and as you know, both the promoter group and the management has shown solid leadership in managing difficult years of financial situation where many competitors struggle. So, you will have to leave this to our judgement to use the way cash is deployed in the right way. We will manage this through balancing debt, dividends, buybacks, and some investments wherever needed. That is something that we would like to assure you, Piyush.

Piyush Choudhary – HSBC

Great. Thanks Gopal. Any kind of minimum net debt to EBITDA threshold or over there also you have complete flexibility?

Gopal Vittal — Vice Chairman & Managing Director, Bharti Airtel Limited

We are continuing to deleverage here. As you have seen, we have paid off a lot of the high cost spectrum debt. This is with the specific intention to lower the interest burden on the company. We will continue to look at opportunities to deleverage and at the same time we will step up dividend as well.

Piyush Choudhary – HSBC

Thank you.

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The next question comes from Mr. Gaurav Malhotra. Mr. Malhotra, you may please unmute your side, introduce yourself and ask your question now.

Gaurav Malhotra – Axis Capital

Yes, hi, this is Gaurav Malhotra from Axis Capital. Just had three questions. Firstly, Gopal you did mention the dividend has been bumped up this year, but any sense on if there could be some formalization of dividend policy in terms of some percentage of net income band or percentage, let us say FCF, like we see in other sort of players or in industries. That was first question. Secondly, if you can just give us some sense of what kind of traction you are seeing in FWA in terms of subscriber adds and lastly, where are we on the transition to 5G SA? Those are my three questions.

Gopal Vittal — Vice Chairman & Managing Director, Bharti Airtel Limited

Gaurav, as we mentioned last year as well, you will see from us, a step up in dividend and that is exactly what we have done. We are not announcing any specific policy in addition to that. The free cash that is actually generated within the company, we will use in the best way possible through a combination of deleveraging dividends as well as additional investments wherever growth can be had. On FWA, on fixed wireless access, firstly, I must tell you that the way we look at our business is, we look at total homes added rather than fixed wireless access. You know that fiber is always a superior technology when compared to fixed wireless access because it gives you concurrent uplink and downlink at the same levels, it has infinite capacities and so one of our obsessions has been to really roll out fiber at a much more rapid pace. That said, the fact is that there are places where we have not been able to reach, which will take time, and this is where fixed wireless access comes in. Today, about 40-45% of our overall net adds are coming in from fixed wireless access and this we will continue to see. We believe that the overall homes business must continue to see stronger growth. We would be disappointed if against the 812,000 net adds that we did this quarter, we do not see a step up in the next quarter and beyond and therefore that is the focus that we have. The mix of this, we would ideally like it to be more and more towards fiber, but fixed wireless access is a great complement and over time, fiber will chase fixed wireless access. On 5G SA, at the right point in time, we will go for it. As I have mentioned to you before, on the mobile side, it is very important that we offload the 4G traffic to 5G networks before we are in a position to refarm the spectrum and move to SA. I think the important thing to look at on whether it is SA or NSA is what is the experience that is being delivered. Very recently, Opensignal came up with a set of awards on 5G experience across the country and we have won every single one of those awards. So, I think experience matters more to us than technology for the sake of technology. We are going to be prudent about where we actually deploy SA based on when we can offload the traffic. As far as fixed wireless access is concerned, there is an advantage in potentially using SA in order to improve the uplink performance and that is something that we are looking at. You must know that at this point, our networks on 5G are pretty empty and so we have a lot of headroom for uplink, but at some point in time, probably the first port of call will be to move SA on fixed wireless access and then finally to get it to mobile.

Gaurav Malhotra – Axis Capital

Thank you for this. Just a couple of follow-ups. One is that, why is the mobile capex sort of moving up in this quarter, is it just seasonality like a year end kind of a push or there is something more to it?

Gopal Vittal — Vice Chairman & Managing Director, Bharti Airtel Limited

I do not think you should look too deep into it, I think you should look at it as a full year capex. Sometimes you have an up and you have it down, it could be seasonality, it could be some materials coming in. So, I think, the important thing to look at is on an annual basis how does the capex trend and there I would say that it will certainly be coming down next year.

Gaurav Malhotra – Axis Capital

And just last question in terms of data center, is that an opportunity which you would pursue like in a more focused manner within the company?

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Gopal Vittal — Vice Chairman & Managing Director, Bharti Airtel Limited

Yes, that is a great question, Gaurav. I think you are right that we have been kind of, I would say, modest in terms of our data center aspirations. The fact is that in a market that is growing quite rapidly and a market that is very fragmented, we are a player with potentially less than 12% market share. We are not pleased with that. This is a business that we understand. We have deep relationships with customers here, both on the enterprise side as well as on the OTT side and we think that we can really meaningfully step up the growth of our data center business. There are several, several data centers that are currently in the stage of build. We are going to have a substantial amount of capacity that will be created in the next 18 months, which is all in the stage of build. We are also looking at a certain other avenues and you will hear more about this in the coming months, but we believe that aspirations on data centers need to be stepped up.

Gaurav Malhotra – Axis Capital

Thank you for this.

Vaidehi Sharma – Moderator

The next question comes from Mr. Ankur Rudra. Mr. Rudra, you may please unmute your side, introduce yourself and ask your question now.

Ankur Rudra – JP Morgan

Hi, thank you. This is Ankur from JP Morgan. So again, solid execution and nice to see the dividends go up nicely. I just want to click back on the capex question. You did highlight how B2B went up quite a bit. On the wireless side, at least for the fourth quarter, we are sort of back to where we were at a run rate for the previous year. I am just sort of trying to make sense of this in the context of lack of meaningful increase in either base stations or towers this time, was there investment more on the core side, have we actually begun our SA investments? And similarly on homes, I am guessing because your intention is to accelerate this going forward, the incremental capex is something that will probably be sticky for FY2026? That is the first question.

Gopal Vittal — Vice Chairman & Managing Director, Bharti Airtel Limited

No Ankur, I think I have already said that, I would not read too much into this because we sometimes we bring in stuff to be deployed and some of it came towards the latter part of the quarter. So the overall capex, while Q4 did look a little higher, you have to look at it in light of what the full year capex was and like I have said, I think capex will be trending downwards in FY2026. On homes, we are today constrained by the amount of our capability to roll out more fiber and I would like to see it actually step up a lot more. Having said that, this is not going to materially impact the overall capex profile of the company, but it will be a small amount to put in for a business that is really experiencing tremendous growth, given the growing penetration and we would like to see more fiber being rolled out as we speak. So, I am not happy with the 1.7 million home passes that we did in the quarter. I would like to see it going up to well over 2.5.

Ankur Rudra – JP Morgan

Thank you. The next question is on the free cash flow deployment you are thinking about for next year. We have seen multiple places where you have been able to take prepay expensive debt and also buyback expensive bonds, how are you thinking about the balance sheet right now and also if you can comment about the AGR conversion you have applied for in the context of that? Thank you.

Gopal Vittal — Vice Chairman & Managing Director, Bharti Airtel Limited

I will take the second part of the question and then maybe hand it over to either Harjeet or Soumen for the first part. On the AGR conversion, I think for us, it was quite simple. We think that we just wanted a non-discriminatory level playing field in terms of an option to convert, whether we will convert or not is a decision for the Board to take, but the option is something that we wanted a clarification from the government whether we had the option or not.

Harjeet Kohli – Joint Managing Director, Bharti Enterprises

So, thanks Gopal. Maybe I can add a few points, Soumen please feel free to chime in. Ankur, on the free cash flow of course, the free cash flow profile is increasing. The benefit of that is a choice that we have to balance all the objectives. You have seen the stepped up dividend, it is step up with respect to what we used to do, but frankly, Rs.16 is probably

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less than 1% yield on the stock today and also, while you see the leverage overall coming down, it is not homogeneously distributed. So, Africa is low, Indus is very low, India profile still is slightly higher at about 2.5. You may not see all of these, but it is important to see the largest block, which is India. I think it is imperative we continue to deleverage more within that too. So the homogeneous block as it is comfortably within two could also yield better choices to decide what we need to do with free cash flow. In the shorter term, deleveraging, high cost debt, you rightly pointed out, high cost DoT debt has been prepaid, perpetual bonds which were high on dollar, reset prices which have been very high, have been prepaid and some of those opportunities will again come by. Also note that this financial year where we are in, we will also have large first time, after four years moratorium, some DoT installments to be paid by the industry. So we will match all of these objectives and at this stage, don't expect any meaningful change to how things have been.

Ankur Rudra – JP Morgan

Thank you.

Vaidehi Sharma – Moderator

The next question comes from Mr. Sanjesh Jain. Mr. Jain, you may please unmute your side, introduce yourself and ask your question now.

Sanjesh Jain – ICICI Securities

Gopal, good afternoon. This is Sanjesh Jain from ICICI Securities. I got a couple of questions, Gopal, first on the home services. I understand the expansion in the FTTH and FWA. Content comes naturally now, but is there more opportunity beyond that smart home securities, storage, are we doing anything around peripheral to expand the addressable market within the home?

Gopal Vittal — Vice Chairman & Managing Director, Bharti Airtel Limited

What is your second question, Sanjesh?

Sanjesh Jain – ICICI Securities

Second question is on the AI, you did mention that we are using lot of AI tools internally and in the previous call you mentioned that you do not want to go follow up early on the GPU as a service, I do not understand, when we are building such a nice portfolio of AI and we have such a strong understanding, why do not we deploy to be more economical on the enterprise side to go early in the GPU and develop lot more services for the third party?

Gopal Vittal — Vice Chairman & Managing Director, Bharti Airtel Limited

Okay thank you. Well, firstly Sanjesh I think one of the initiatives that we launched, this was about two years ago, was on home surveillance and home security. So we did a tie-up on cameras, these were really state-of-the-art cameras, you can speak into the camera, they sort of do 360 degree swivels, you get recordings on the Cloud, you can track movements, you can set alerts on your smartphone, etc., and we were trying to bundle this along with our broadband. We launched this about two years ago. We have seen some modest success and one of the things that we found was that it was a very niche business. So, while the people who we did onboard, which was potentially about half a million customers, were very sticky customers, but the fact is that it was very low ARPU and a huge amount of effort that was taken within the company. So, we have decided to actually go a little slow on that side of the adjacencies and the reason we are going a little slow is that at this point in time, our single minded dedicated focus is to capture a disproportionate share of home broadband. Because I believe there will be enough time as India evolves, as incomes rise, for us to get into more and more services and adjacencies around that. Even globally, if you look at most of these adjacencies, there is tiny fraction of the overall home broadband spend. So, this is an area that we are tracking very closely. We do not want to miss the bus. Equally, we do not want to fragment the team for chasing something that is not materially impacting for the company. On the AI question, I think internally, in addition to many of the experiments we are running, we are trying to embed AI at the very heart of our business and so you are right, we have a deeper appreciation of what this could do. I would not say we have a deep understanding because no company can claim to have a deep understanding today. The technology is evolving so rapidly, but we have a deep appreciation and we are committed to putting this at the very center of our business. That said, if you take GPU as a service, it is a very different business model, Sanjesh, because the quality and the capacities of the chip sets along with the cost of the chipsets are changing so rapidly that I think there will be enough time for us to actually get in. We use some of the GPUs for ourselves, but to actually go and put in large investments without being clear about this, I think, is something that we said we do not want to be an early mover in the space, we

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would rather be a fast follower. So, we are going to watch this space and who knows at some stage, we may pick this up but at this point we have parked it.

Sanjesh Jain – ICICI Securities

Clear Gopal, thanks for that elaborate answer but on the data center, you seem to be very confident and I think there was some release that we are looking to double the data center capacity in three years. Can you elaborate on that please?

Gopal Vittal — Vice Chairman & Managing Director, Bharti Airtel Limited

A lot of these capacities are coming on board right now as we speak, Sanjesh, so, many of the investments that we made over the last 24 months and some of the investments we are continuing to make over the next eight to nine months, we will see significant capacities come on board in FY2026 and FY2027. In addition, we are having conversations with multiple players, very large players, to look at what more we can do to help their plans to see how we can accelerate data centers. I would certainly say that in a business as large as ours, to have infrastructure play like data centers with a market share of 12% is low and we are not happy with that and therefore we do believe that there is an opportunity for us to step up the game here.

Sanjesh Jain – ICICI Securities

Any capex numbers have you disclosed for next three years for the data center business?

Gopal Vittal — Vice Chairman & Managing Director, Bharti Airtel Limited

No, we have not disclosed that separately, but at this point in time, it is in the ballpark of what we would have spent, maybe slightly higher, but it is all rolled up into the overall capex for the company.

Sanjesh Jain – ICICI Securities

Last time, I think we mentioned around 5000 Crores. Was that the number we were looking to double at that point of time?

Gopal Vittal — Vice Chairman & Managing Director, Bharti Airtel Limited

Yes, we are on track on that programme.

Sanjesh Jain – ICICI Securities

We are on track on that programme.

Gopal Vittal — Vice Chairman & Managing Director, Bharti Airtel Limited

Yes, absolutely.

Sanjesh Jain – ICICI Securities

Great, great. Thanks Gopal for answering all those questions and best of luck for the coming quarters.

Vaidehi Sharma – Moderator

The next question comes from from Mr. Vivekanand Subbaraman. Mr. Subbaraman, you may please unmute your side, introduce yourself and ask your question now.

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Vivekanand Subbaraman – Ambit Capital

Hi, this is Vivekanand Subbaraman from Ambit Capital. I have two questions. So, first of all, when you mentioned that capex would trend lower though in fiscal 2025, your capex declined it is still 24% of India revenue, what do you think is the right benchmark for a growth market like India where capex stabilizes, let us say in the next two, three years from a capex to revenue standpoint. That is question one. Should I ask my second one or wait for your response?

Gopal Vittal — Vice Chairman & Managing Director, Bharti Airtel Limited

Yes, please go ahead.

Vivekanand Subbaraman – Ambit Capital

Secondly, you usually call out your B2B revenue growth, ex of voice across some segments like global OTT, plain vanilla connectivity and digital revenue streams, right? Is it possible for you to give an update on that, along with some trends like order book, revenue, market share? Thank you.

Gopal Vittal — Vice Chairman & Managing Director, Bharti Airtel Limited

So, on the capex number, I do not want us to think about it yet in terms of percentage of revenue, obviously, as growth steps up the percentage of revenue will step down. That is a fact. Go back to 2019, at one stage, we were at 50% of revenue was capex because at that point in time, data services were almost free and the business was in a state of stress with the industry revenue having declined substantially. If you were to have another round of tariff repair or restructured tariff architecture and see a significant jump in revenue, then obviously, this will trend down substantially lower. In fact, if you look at most global companies, which are in more developed markets, then the capex as a percent of revenue tends to be in the ballpark of 15-17%. So, my hope is that we should be pushing a lot more for growth. At this point, our capex is really focused on doing the right things for the company and we will continue to do it. If we have to step it up by the way, we will. I believe that we will moderate during the course of the year, but I am making an extreme point to say it is important that we continue to put because capex for us is our product, so, transport will continue to get its fair share. Radio capex will certainly come down, there is no question about it and radio is a large component of capex. Core tends to be a smaller component of capex. Our B2B business, we have stepped up our capex on areas like Cloud, some parts of data centers, a few cables that came in, so all of that is rolled in into the overall capex number when I say that it will come down from next year. On B2B, our business is a mix of many parts of the portfolio. There is a wholesale part which is largely to do with messaging and incoming voice. This part is broadly declining because of the pressure on price as well as the shift away from SMS to in-app notifications, particularly within the platform of choice. So, if there is a hyperscaler that is running a platform they prefer to do it through their own in app notifications. The second part of the B2B business is the core connectivity business, where we have a lion share. We have got a 35% share that has really grown. It has almost added six to seven share points over the last few years based on independent surveys by people like Frost & Sullivan, and then there is data center, which is growing at a secular pace, about 12-14%. That business, we believe, needs to ramp up. And finally, there is a digital business which today is growing at about 25-30%. I am not happy with that growth. My own view is that that growth must be substantially stepped up and this is why we are putting in the investments required on things like Cloud to step the growth up. Now, the margin profile of the digital part of our portfolio will be always a little lower than the margin profile on the core side because the core side also has a lot of investment. It is also a product that we make ourselves, so, in the Cloud, we have our own Cloud. The margins would be good but if you look at things like security and so on and so forth, where there are lots of partners involved, the margins tend to be lower. But remember, there is very little capex as well, so the ROCE tends to be very good. So I think the B2B business, as I have mentioned before, is a business which is a mix of different parts. It is far more complex than the B2C business, which is a much simpler business because there are different business models; there are different types of products and solutions. I think, for us, the effort is to really grow the business. To your question on the order book, the order book on the core looks strong, the core connectivity. The order book on the digital side again looks strong. The order book, as far as the wholesale and commodity side of it, continues to be under pressure and on the global side, when it comes to cables and things like that, that business is beginning to look slightly better than what it was last year. So on an underlying basis, if you strip out the low margin business that we have to shed, we have shed a substantial part of it. There is still a little bit more to shed next quarter. Our business, we believe, will perform better now, this year, than compared to last year.

Vivekanand Subbaraman – Ambit Capital

Thanks, Mr. Gopal. Thanks for the detailed explanation on both counts.

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Vaidehi Sharma – Moderator

The next question comes from Mr. Kunal Vora. Mr. Vora, you may please unmute your side, introduce yourself and ask your question now.

Kunal Vora – BNP Paribas

Yes, thanks for the opportunity. First one is like Vodafone Idea has now like launched its 5G services and it is investing in its network now. Are you seeing this having any impact of this in the market, especially on postpaid additions and do you think the market share gains trend which you have seen in recent quarters could slow down?

Gopal Vittal — Vice Chairman & Managing Director, Bharti Airtel Limited

I do not want to comment on what our competitors are doing. I think that the way I would see it is that as far as postpaid is concerned, we have added about 600,000 net adds this quarter. I see no reason why that should not actually step up because the number of high value users on our platform is still a large number and prepaid to postpaid could be a very, very important driver of growth. I think, most of these customers who we acquire come on family plans. That means three or two or three or four members of the family and they tend to be on different operators and again, aggregating them onto our family plans become a very important driver of our growth. My own sense is that the last two quarters we have been trending at about 600,000 postpaid net adds, the reason has been the increase or the repair in tariff that happened across the industry, also on postpaid and while this has now settled down, I believe that actually they should step up in the coming quarters. My own view is that we have to stay focused on our customers and the opportunity for growth, I think that opportunity remains intact within the country.

Kunal Vora – BNP Paribas

Second one, you mentioned that DTH subsidies will be removed completely how do you see the future of this business like if 89 million high income households shift to home broadband IPTV, will this service lose relevance in coming years?

Gopal Vittal — Vice Chairman & Managing Director, Bharti Airtel Limited

I think this is a big conundrum. I think, because if you look at the DTH industry, it has been going through its moment of reckoning and for many reasons. It is not just the legitimate reasons of technology disruption because those are good reasons, if there is new technology that is coming in, whether it is through the form of IPTV plus broadband, which means connected boxes and that puts pressure on DTH, which is just a traditional sort of mode of linear television. Then I think it is a very good outcome, but the challenge in this business is less to do with just technology disruption, it is also more to do with what we have done to it, which means the regulatory posture that today operates in this market where you have got, assume that there are three homes living side-by-side next to each other: one served by DTH, one served by cable, and one served by broadband. Each of these homes has different regulatory constructs, so the DTH business or the DTH regulation as sort of price that is fixed, it has certain cross-holding restrictions where, you know, the content player cannot have all sorts of investments in the distribution pipe. Cable has a slightly different set of restrictions and when it comes to broadband, it is absolutely free for all, there are no regulations whatsoever, so, this is the second reason that has been actually creating the challenge and the third reason is the advent of free Doordarshan or free dish as you call it, which is on the Doordarshan dish. You have very good content, which if you look back into history, Doordarshan was set up with a view to actually educate people on things like agriculture and so on and so forth. Now, it has become good entertainment and that is available at almost no price. So, these are some of the other headwinds that the industry is facing. My own view is that there will still be an opportunity for DTH because home broadband will not get to every single home in India, there are 260 - 270 million homes. There will be probably 150 - 160 million TV homes. We are potentially talking over the next five years of broadband homes getting to maybe 75 to 80 million. So, there will still be a large pool of homes served for linear broadcast television, which is where DTH will play a role and there is still an opportunity to grow from cable. I think that is really how we see it. That said, I think the subsidies and all of the cost of acquisition that is built into high sort of subsidies on the boxes that were sold needs to be stripped out. We have taken a brave call and we have done it. We are waiting for the competition to follow and we hope sense will prevail to strip those subsidies out because there is no point putting in subsidies in a market where the only subsidy is going in to rotate your own customer.

Kunal Vora – BNP Paribas

And just one last question, you announced second buyback in Africa and indicated your commitment. Would you look to delist the business? Any reasons to keep it listed and also if you can talk about the partly paid and what is the plan for that?

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Gopal Vittal — Vice Chairman & Managing Director, Bharti Airtel Limited

Let us not get ahead of ourselves. I think the important thing is to, like I said, I think it is a terrific asset. It is an asset in pound sterling, it is doing very well and it is a dividend paying asset. So, we believe that the opportunity for us to buyback will continue and that is why we have done it. Your second question was on, sorry Kunal what was it?

Kunal Vora – BNP Paribas

Airtel partly paid.

Gopal Vittal — Vice Chairman & Managing Director, Bharti Airtel Limited

No, we will call that only when we need it. At this point in time, there is no requirement for us to call the partly paid shares.

Kunal Vora – BNP Paribas

Understood, that is it from me. Thank you.

Vaidehi Sharma – Moderator

The next question comes from Aliasgar Shakir. Mr. Shakir, you may please unmute your side, introduce yourself and ask your question now.

Aliasgar Shakir – Motilal Oswal

Yes, thanks for the opportunity. Hi Gopal, a couple of questions. First is on the tariff architecture that you spoke about and this is something that you have been talking for quite some time now given that you have been leading the tariff increase charge for the industry since quite some time, can you share your thoughts about what you think are the possible options available for you given that I understand tariff increases cannot be taken in isolation and industry has to move ahead together. So, what are your thoughts over there? Do you think next round of tariff hike can be more from change of tariff architecture, which probably could allow you to, kind of, keep building on this area significantly?

Gopal Vittal — Vice Chairman & Managing Director, Bharti Airtel Limited

You had two questions. You had another one?

Aliasgar Shakir – Motilal Oswal

Yes, the second question is again, on the capital allocation. Now, you did answer the areas where you would want to deploy capital, but if I take your consideration in terms of Africa buyback, maybe even Indus and some of the other areas that you spoke about cumulatively, next three years probably, given the kind of cash flow we are throwing, we should easily generate probably more than about 150,000 Crores of cash flow hopefully and that is free cash flow right, after taking all the adjustments of the current level of capex that we are doing, so, that is a lot of money. I know that we are looking to deleverage, but given that we would look to probably stay at an optimal level of leverage, are you looking at any large areas of investments either in India, outside or anything that we should look, even after taking all the constitution of dividend and the investments that you spoke about?

Gopal Vittal — Vice Chairman & Managing Director, Bharti Airtel Limited

So, let me take the first question on your tariff architecture. I think, what options there are, I think, obviously, this cannot be done in isolation, but just to give you a sense of how we see it. The entry level pricing on the plans, I think those entry level pricing should potentially not go up and even if they do, they go up very, very modestly but the next level pricing where there is oodles of data allowance that is put in there, that data allowance should dramatically reduce and then there should be a reason for people to upgrade to higher plan. So, from small, medium, large and extra large is the way that the architecture should be. To give you an example, if you look at the India price architecture and index entry price at 100 and index the highest price, then the 100 gets to maybe 250 and that is the overall architecture that we look at, but if you compare that with a market like Indonesia, which is a market quite similar to us, in terms of its geographical spread,

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population density and so on and so forth, then that goes from 100 to 500 and this is just one example. If you look at any market, you will see the stratification. So, I think, that is really what we believe should happen. For us, I think, on your second question, I think, yes, we will generate a lot of free cash over the course of the next few years. I think you will have to leave it to our judgment to use the cash, right. We will manage this through a combination of deleveraging, dividend step up, some buyback. This could be in Indus or it could be in Africa or it could be some other expansion on acquisition but at this point, we really do need to say that, for us, we are going to be very fiscally prudent. You have to trust us on this, that is exactly how we have been but we would look to see how we can continue to grow this company and at the same time manage all of the issues that we have got, which is really around stepping up dividend and prudently using the cash to step up growth.

Aliasgar Shakir – Motilal Oswal

Got it, this is very useful. Thank you so much.

Vaidehi Sharma – Moderator

Thank you everyone for asking your questions. I would now like to remind the participants to stay connected on the call for the next session on Bharti Hexacom at 3:30, four minutes from now. I would now like to hand over to Gopal for his closing remarks on Bharti Airtel.

Gopal Vittal — Vice Chairman & Managing Director, Bharti Airtel Limited

Again, thank you very much for joining this call and really appreciate the questions that were asked. We hope we have been able to address most of these questions and we look forward to seeing you next quarter. Thank you.

Vaidehi Sharma – Moderator

We request all participants to kindly stay connected for another three minutes to begin the Bharti Hexacom call. Thank you.

Thank you everyone for your patience. We will now begin the Bharti Hexacom Earnings Webinar. With this, I would now like to invite Soumen for his opening remarks.

Soumen Ray — Chief Financial Officer - India & South Asia - Bharti Airtel Limited & Non-executive Director, Bharti Hexacom Limited

Thank you Vaidehi and good afternoon everyone. Welcome to the Bharti Hexacom Q4 FY2025 Earnings Call. I have with me, Akhil and Naval joining me on the call. I will start with our FY2025 performance. We delivered solid results with yet another industry leading growth. Revenues and EBITDAaL growth came in at about 21% and 27% respectively. Margins expanded to 44.2%. A strong operating leverage is the reflection of our efforts on war on waste and execution. The company further solidified and continued revenue market share improvement in both circuits. Operating free cash generation, which is EBITDAaL minus capex, was a strong 2300 odd Crores. Balance sheet is robust with a net debt excluding leases at about 3700 Crores and our net debt to EBITDAaL around 1. A quick update on the quarter's performance, we delivered revenue of 2289 Crores, growing sequentially by about 1.7%. The smartphone customer addition was at 7.1 lakh compared to 4.5 lakh last quarter. REC base saw additions of 5.1 lakh, with a churn of 1.8% compared to 1.9% in the last quarter. ARPU for the quarter was Rs.242, which was impacted by two lesser days in the quarter. EBITDA stood at 1,220 Crores, with an EBITDAaL margin of 46.6%, which improved by about 30 bps. Net income for the quarter stood at 468 Crores. Operating free cash flow, that is EBITDAaL minus capex, was about 641 Crores. During Q4, we prepaid 858 Crores of high cost DoT debt pertaining to the 2024 auction. This was at a coupon of about 8.65%. With this, the company is left with only FY2021 and FY2022 spectrum dues.

Before I hand over to Vaidehi, I would like to discuss about the proposed tower sale. As you are aware, we have put the tower sale proposal to Indus Towers in abeyance as TCIL, one of the public sector undertaking and a significant shareholder of Hexacom had requested the company to start a fresh process, which meets the requirement of TCIL as a public sector undertaking. We remain convinced about the business logic and merit of the proposal; however, in keeping with the higher standards of corporate governance and transparency, it has been agreed to put the current proposal in abeyance and undertake a fresh exercise in consultation with TCIL. The company will evaluate the future course on this transaction and we will update all stakeholders appropriately. With that, I will hand over to Vaidehi to open the floor for questions.

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Vaidehi Sharma – Moderator

Thank you, Soumen. We will now begin the Q&A interactive session. Due to time constraints, we would request if you could limit the number of questions to two per participant to enable more participation. Interested participants may click on "Raise Hand Option" on your Zoom application to join the Q&A queue. With this, the first question comes from Mr. Sanjesh Jain. Mr. Jain, you may please unmute your side, introduce yourself and ask your question now.

Sanjesh Jain – ICICI Securities

Thanks for the opportunity, Soumen. I got three questions. First, on the wireless, I thought Rajasthan which is 80% of our revenue generally has a higher incoming because of the tourist in the Q3 and Q4, while the difference in the growth was very small between us and Airtel, that seasonality is really not showing up, anything which I am missing of the seasonality is only very small to make in delta there? That is number one. Second, on the home broadband, this quarter saw a very strong growth of 10% sequentially. Is it that FWA rollout has been more relevant for Rajasthan and northeast circle, which has a difficult terrain and more rural location and FWA becomes an important product there than FTTH, is that driving a higher growth? And number three, on the dividend payout, I think we had a payout ratio of what around 33-34%, Airtel, on an adjusted basis, are at 35%. Our net debt position is much more comfortable level and we do not have other commitment, any reason for us to be conservative on the payout issues? These are the three.

Soumen Ray — Chief Financial Officer - India & South Asia - Bharti Airtel Limited & Non-executive Director, Bharti Hexacom Limited

Thanks Sanjesh. I will take all three of them one-by-one. First, on the first one, on the in roamers and the out roamers. Well, it is what it is. I do not think there has been a significant change, but what happens is, as we grow share and we get a larger base, the number of people traveling do not change, so, possibly as a percentage of that number, it will marginally come down as long as we are growing. To that extent, maybe it will tend to trend a little downwards in percentage terms. On homes, yes, you are absolutely right. FWA is a very, very strong offering for us and as a matter of fact, lion's share of homes acquisition in Q4 has been with FWA. It is just the fact that there is no wired broadband in large geographies of these two circles. So, indeed, when somebody with credibility with high market share in mobility is coming up with FWA, there is taker, so you are absolutely right. On the dividend, I think we should not see too much between 33 and 35 and all of that. I think this company also, yes its debt is less, but it does not have some of the other engines of growth, which possibly Airtel has. Like what was mentioned in the Airtel call, we will balance between the three, four objectives and we will prudently use the cash that is generated and deploy it as and when required. As Gopal mentioned, I think the organization has shown a lot of prudence over the years in how generated cash has been deployed reduced for example, today I mentioned to you in the starting comments that we do have 2021-2022 spectrum- those are at a clip of about 7.2%, who knows, if interest rates keep coming down, the CPI print has come very low. If interest rate indeed comes down, even the 7.2 to be repaid back and you would remember, 2022 was a mother of all auctions- there was a large procurement of 5G, millimeter wave and so on and so forth. So, we will use this prudently is all that I can say and the difference that you see is really marginal.

Sanjesh Jain – ICICI Securities

Great, Soumen. Thanks for answering all those questions and best of luck for the coming quarters.

Soumen Ray — Chief Financial Officer - India & South Asia - Bharti Airtel Limited & Non-executive Director, Bharti Hexacom Limited

Thank you, Sanjesh.

Vaidehi Sharma – Moderator

The next question comes from Mr. Vivekanand Subbaraman. Mr. Subbaraman, you may please unmute your side, introduce yourself and ask your question now.

Vivekanand Subbaraman – Ambit Capital

Hi, I am Vivekanand from Ambit. So, on your incremental EBITDAaL margin, we saw that the revenue is coming in at almost 70% margin despite 5G costs being embedded in the P&L data during the year. So, without a tariff hike, how should we think about incremental EBITDAaL margins for FY2026? That is question one. Secondly, any thoughts on the capex trajectory for the two segment, any color that you can provide there? Thank you.

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Soumen Ray — Chief Financial Officer - India & South Asia - Bharti Airtel Limited & Non-executive Director, Bharti Hexacom Limited

Thanks, Vivek. So, the first one, this has been a quarter where our opex has been very low and you must appreciate that there are certain costs, which has increasing trend, for example, there are escalations built in which happens as and when anniversary of a tower happens. There are energy costs which keep increasing and we have our WOW project. So, there are inflationary impacts which will continue to push costs up and we will try to find good ways of reducing that through our programme on war on waste. I would say, this is not a quarter which is representative. I think, if you look at post tariff like, maybe Q3-Q4, that would be more representative, but I must at the same time tell you that these are very small nuances and I think increasingly, we will target to improve our EBITDAaL margins. It was mentioned that most of the rural rollout is done so we are not doing anything major and hence, there should be a trend of the EBITDAaL margin improving in future. On capex, I think, the capex will come down, like it is happening in Airtel, there is a transport job to be done, but I think the transport job in these two circles is not so much. So, the capex trajectory should see a downward move from FY2025.

Vivekanand Subbaraman – Ambit Capital

Similar to what we were talking about as far as Capex, is there anything you would like to indicate in terms of aspiration to reach over time

Soumen Ray — Chief Financial Officer - India & South Asia - Bharti Airtel Limited & Non-executive Director, Bharti Hexacom Limited

Sorry. Vivek, Vivekanand, you were not clear. Can you repeat the question?

Vivekanand Subbaraman – Ambit Capital

I think, Gopal was discussing a bit on the range, as far as converging with the global industry on effects to revenue over time, is that something that you can reach much sooner than Airtel, any further colour that you can provide there?

Soumen Ray — Chief Financial Officer - India & South Asia - Bharti Airtel Limited & Non-executive Director, Bharti Hexacom Limited

Well, I can certainly provide the colour, but the answer is yes and no. Our company does not have the high investment businesses like Nxtra, which is a capital intensive business. It does not own submarine cables, so, to that extent, the investment is a little less, but at the same time, you have to appreciate that the digital businesses which can grow, which are pan India businesses, is also not operated from this. So, I think, it is a mobile first and largely mobile only business with a small amount of B2B and homes growing. So, the convergence of percentage of topline with the global peers, because those global peers are comparable to Airtel because they all have these verticals whereas Hexacom is operating on mobility. So, the only way of growth is increasing number of customers or increasing ARPU and of course a bit of home expansion for sure. Homes need fiberization and so on and so forth. So, it is not strictly comparable with the global peers; however, as was mentioned, directionally, we will look at bringing down absolute capex without compromising any growth capex, which is required to be deployed.

Vivekanand Subbaraman – Ambit Capital

Very clear. Thank you so much and all the best.

Vaidehi Sharma – Moderator

The next question comes from Mr. Gaurav Malhotra. Mr. Malhotra, you may please unmute your side, introduce yourself and ask your question now.

Gaurav Malhotra – Axis Capital

Hi Soumen, this is Gaurav from Axis Capital. Just one or two questions. On premiumization, is it different versus Bharti Airtel at an aggregate level, given that these are relatively lower income circles?

Transcript of Bharti Airtel Limited and Bharti Hexacom Limited Q4 Ended March 31, 2025 Earnings Webinar

Soumen Ray — Chief Financial Officer - India & South Asia - Bharti Airtel Limited & Non-executive Director, Bharti Hexacom Limited

The job is the same, but the path that one will follow is different. The postpaid penetration in these two circles is very low. Whilst yes, the average affordability index is low, but the number of people who can afford a postpaid is not very different and hence, there is a very good job to be done in terms of postpaid penetration. FWA can become a big story in Northeast because of the high education levels and other social factors, which influence primarily the lower part of Northeast. So, there are different nuances, but functionally, I think, and you can see that when we listed the company, there was a larger gap between Airtel ARPU and Hexacom ARPU, that gap is narrowing. As I mentioned, Airtel is at about 245, we are at 242. It is also a factor of how data consumption is increasing in these circles. So, I would say the premiumization job is the same, the quality customer job is the same, albeit, the nuances would be a little different, for example, here the focus would be more on data top up as opposed to international roaming. So those nuances will happen, but the job of premiumization of customers absolutely is valid.

Gaurav Malhotra – Axis Capital

Got it. Just one more question, I know Gopal had alluded to the fact that you guys are still doing 5G NSA and we will sort of look at transitioning to SA over time, but given that FWA seems to have a lot more salience for these two circles and for FWA, I think so end of the day SA eventually would be required, so is there a plan of accelerating a transition in Hexacom versus Airtel at a more aggregate level?

Soumen Ray — Chief Financial Officer - India & South Asia - Bharti Airtel Limited & Non-executive Director, Bharti Hexacom Limited

I do not think we are looking at a target of acceleration. It is a simple function of the capacity of our 5G infrastructure being utilized. Today, there is adequate capacity for us to roll out more FWAs. Of course, as FWAs capacity gets choked up they can be liberated by laying fibers because then you can do a concentrated fiber laying and wire up those homes, alternately, you can go to SA. I think we are some distance away and we are not in a race to meet a deadline as to when SA is implemented, whichever part of the country, whether it is any other circle or indeed these two circles, whichever circle, whichever comes closer, there we would do what Gopal mentioned in Airtel call of implementing SA, but as of now, we are quite some distance away across the country including the two circles in Hexacom.

Gaurav Malhotra – Axis Capital

Just last question. I am sorry, the fiber is obviously not of Hexacom for these two circles, it is for Airtel, but that fiber is residing in the Airtel homes or in the mobile segment? Sorry, I am asking an Airtel question here, if it is okay.

Soumen Ray — Chief Financial Officer - India & South Asia - Bharti Airtel Limited & Non-executive Director, Bharti Hexacom Limited

So, it is mostly sitting in mobile segment.

Gaurav Malhotra – Axis Capital

Thank you so much.

Vaidehi Sharma – Moderator

Thank you everyone. Now, I would like Soumen to give his closing remarks for Bharti Hexacom.

Soumen Ray — Chief Financial Officer - India & South Asia - Bharti Airtel Limited & Non-executive Director, Bharti Hexacom Limited

Thanks a lot for joining the call. I think this is the first, almost full year of Bharti Hexacom remaining listed. I think, it has been a stellar performance. I think, whatever we have put up during our road shows, we have been able to do it. The tariff repair has come in very handy and the increase in dividend should please the stakeholders. Thanks a lot for joining and look forward to catching up next quarter again. Thank you.

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Vaidehi Sharma – Moderator

Thank you everyone for joining us today. The recording of this webinar will be available on the company website. Thank you all. Have a good day and see you next quarter, bye.