

# Backed by a strong strategy



## Dear Shareholders

The Financial Year 2021-22 was exceptional. In particular, the second Covid wave during April to May 2021 was unprecedented – many of us and the people we know were impacted including our own employees at Airtel.

Nonetheless, despite the adversities, we stood committed to our purpose of serving the needs of India and ensuring that people stayed connected. I am enormously proud and grateful to our teams for that. This was possible only due to our obsession with customers. This obsession also led us to emerge stronger through a tumultuous period in the industry. Today we are one of the most trusted brands in the country.

At Airtel, our strategy remains consistent. Focus on winning quality customers and a relentless obsession with customer experience. Underpinning this are our core enablers. Bringing the power of Airtel through a unified view of the customer backed by an integrated channel approach. Scaling our digital capabilities to deliver best-in-class experience and offering differentiated digital services to our customers. Doing all this with extreme financial prudence, while waging a war on waste.

Our performance over the past year has only reinforced our belief in this strategy. I have captured some highlights on our strategy and performance below.

**Quality Customers.** We continued to focus on acquiring and retaining quality customers. We added 21.5 Mn 4G customers to our network. We enjoy a premium position in the industry and have increased our ARPU to ₹178 (FY21-22 exit), the highest in the industry. The resilience of our customer base was reflected in our ability to realise the full impact of the tariff increase taken in November 2021. We also saw the highest ever net additions to our Broadband base fuelled by work-from-home and study-from-home needs. On DTH, while the industry faced some headwinds, we gained market share. On the Enterprise business, we strengthened our relationships with a large number of corporate and SME customers, and

grew market share. Going forward, our focus will remain on building greater value for our customers by bringing to them propositions that leverage the power of the entire Airtel portfolio.

**Brilliant Customer Experience.** Delivering superior experience to our customers is at the heart of our strategy. We improved our delivered experience across the entire customer flywheel. As part of the Search and Discover part of the flywheel, we accelerated the growth of our app ecosystem and enabled seamless discovery across our platform. On the Purchase and on-board part of the flywheel, we dramatically improved our payments experience. We also invested in improving our capability to identify and authenticate customers across all channels. On the Experience and Refer part of our flywheel, we accelerated digitalisation across our operations. We developed cutting-edge digital tools that enabled us to proactively detect and fix experience issues. Further, we added 20,676 sites and 145,353 mobile broadband base stations as well as augmented our spectrum holdings, thereby elevating the experience for our customers. Finally, we demonstrated our readiness for 5G by conducting industry first trials that focused on both consumer and industrial use cases.

**Scaling Digital Platforms.** Over the last few years, we have built a solid foundation of Digital in our business. Airtel at its core has a three layered business model.

The first layer is our **Digital infrastructure**. This is where we have invested over US\$ 46 Bn to drive much of India's economic and digital activity. Let me call out a few major developments here. We are fully ready for 5G – our core network, radio network and transport network is fully future proofed. Our Sub-Ghz foot print across the country now gives us deep indoor coverage. Even more quietly, we have spent the last 5 years bringing our data together into one massive platform that stores over 100 Peta Bytes of data – this is equal to storing every single movie made in the world on HD. This entire platform talks to a very thin Customer-360 platform which can respond in milliseconds to any request or offer to be served to a customer.

The second layer is our **Digital Experience** – which sits above the digital infrastructure. A significant milestone we achieved here is embedding our omni-channel experience approach into the business – customers can interact with us online or offline across any step of the customers' lifecycle. Another milestone was the re-tooling of the organisation which involved two changes. The first change was to bring the whole fragmented channel organisation under one leadership team – today we have only two channels serving all our consumer businesses

– A mass retail channel that serves the fragmented trade, and the Direct to Customer channel that directly serves our customers in the top urban catchments. The second change was to bring the whole delivery organisation together. Today, there is one team that goes to the customer's home and delivers our products across all our lines of business. All this was made possible through our scaled digital platform of Airtel Works through which every single employee and associate is connected.

The third layer that sits on top of our Digital Experience is our **Digital Services**. These include Wynk, among the largest music streaming services in India, Nxtra, the largest data center player in India, Airtel Payments Bank, the only profitable and growing fintech player in the payments space, Airtel IQ, one of the top CPaaS players in India and Airtel Ads, an Ad tech platform that leverages all our digital assets to create an additional revenue stream. If all our digital businesses were in the market as standalone companies, there would be 5 additional unicorns that could be added to India's tally of 100.

**War on Waste.** We saw significant pressure on cost due to geopolitical issues, escalations in commodity prices and shortages of chipsets. We continued to navigate these headwinds by our continued focus on a War on Waste. This has allowed us to improve margins and has given us further operating leverage. In addition, we prepaid some of our high cost spectrum debt of almost ₹24,000 crores.

**ESG.** We are deeply conscious of our responsibility to the environment and our obligation to the society at large. We have constituted a Board appointed ESG Committee to sharpen the focus towards our Environmental and Sustainability agenda. In addition, I lead a management council that drives our ESG initiatives. We continued to drive green energy to power our networks and data centres. For example, we were able to eliminate 3 million litres of diesel from our tower operations by using Artificial Intelligence and Machine Learning technologies through switching off power based on projections of traffic. Our Integrated Report spells out our initiatives for environment sustainability and community development.

In closing, I would like to thank our customers, our people, our partners and our shareholders for their faith in us. We seek your continued support in our journey.



**Gopal Vittal**  
Managing Director & CEO