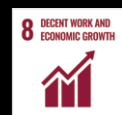


Financial Capital



SDGs impacted



Material Topics included

- Network quality, expansion and transformation
- Innovation of products and services
- Digital inclusion and enhanced access to ICT
- Green ICT solutions

Relationship with other capital

- Manufactured
- Intellectual
- Natural

At Airtel, we prioritise driving sustainability and growth across our business. We are dedicated to strategically optimising operational expenditures, ensuring prudent capital allocation and fostering a resilient operating cash flow. We duly acknowledge the significance of Financial Capital as a pivotal cornerstone in our business framework.

The investments directed towards enhancing our network and infrastructure are primarily oriented towards the objective of bestowing unparalleled services upon our valued customers. The creation of value for stakeholders and the enhancement of customer experience stand as two cardinal focal points governing our business endeavours.

Highlights for FY 2022-23

₹847,201 Mn
Revenue

19.7%
Revenue growth Y-o-Y

52.1%
EBITDA margin

₹(896) Mn
Profit after tax

3.2x
Net debt to EBITDA

₹4,320 Bn
Market capitalisation
(as on March 31, 2023)

Dividend

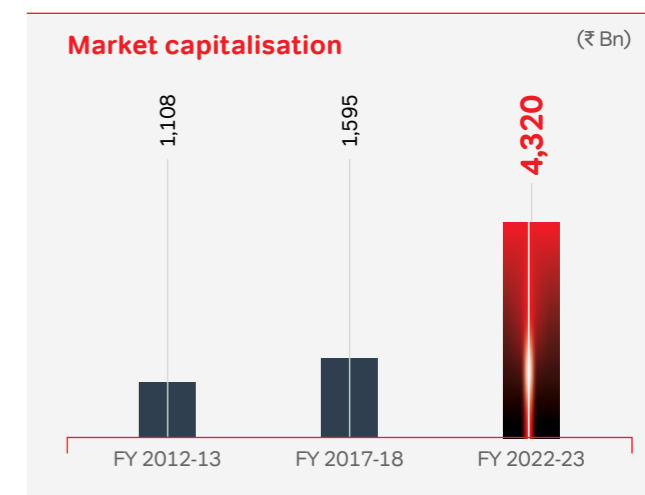
₹4
Per fully paid-up equity share

₹1
Per partly paid-up equity share

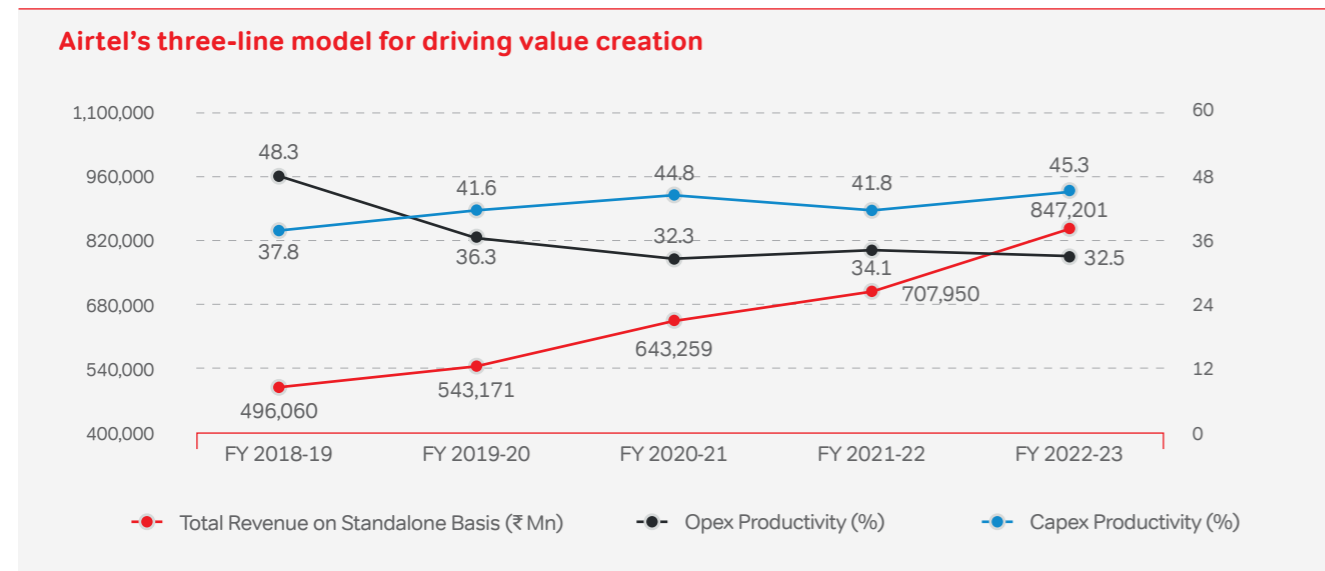
(Subject to the approval of shareholders at the ensuing AGM)

Generating value for shareholders

We have been witnessing a phenomenal surge in our market capitalisation in recent years. Over the course of the past 10 years, our market capitalisation has experienced a staggering growth rate of ~290%, from ₹1,108 billion on March 31, 2013 to an astounding ₹4,320 billion as of March 31, 2023. This momentous upswing can be attributed to a confluence of smart strategic business decisions, unwavering stakeholder confidence in our business model, remarkable technological advancements and a robust customer base. As we continue to demonstrate our resilience and ability to capture new opportunities in the telecommunications industry, reinforcing our position as a key player in the global market, we will stay on track to generate superior shareholder returns.



Financial Capital

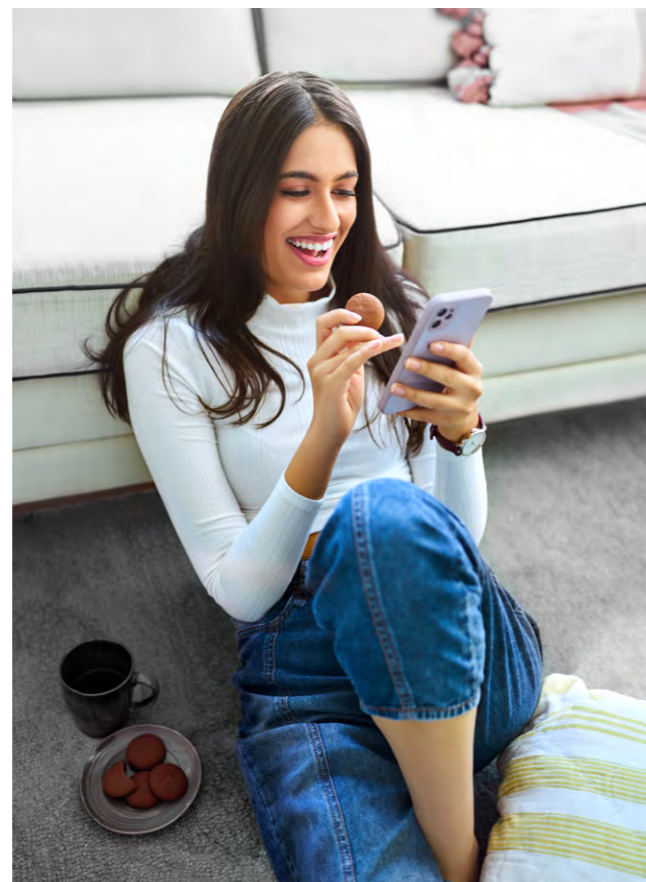


Note: All the financial figures for FY 2021-22, as stated above, are re-casted to include the impact of the merger of Telesonic Networks Limited and Nettle Infrastructure Investments Limited with Bharti Airtel Limited.

Robust financial performance driven by customer growth and pricing interventions

During the year, our Mobile Services business achieved significant growth in both customer base and revenue through unwavering efforts to retain and attract valuable customers, adopting a premium-focused approach to target high-value customers and implementing strategic pricing interventions. Additionally, our Homes business sustained impressive double-digit growth, supported by the local cable operator partnership model. Furthermore, the demand for seamless data connectivity and emerging business needs beyond core connectivity solutions in the B2B segment continued to drive strong growth in the current financial year. We ended the year with the highest-ever market shares across our businesses.

Double-digit growth in each of the above segments translated to the highest-ever revenue for the Company at ₹847,201 Mn, a 19.7% leap from ₹707,950 Mn last year. Our 'War on Waste' (WoW) programme continues to deliver excellent results as the India Network Opex increased by only 7.5% Y-o-Y, thereby achieving significant operational and financial efficiencies. EBITDA margins improved from 49.7% in FY 2021-22 to 52.1% in the current year.



Significant capex investments to ensure an advanced and sustainable network

This year, we achieved the highest-ever site rollout, expanding into rural areas and delivering an exceptional customer experience nationwide. We were the first operator in India to launch 5G services, rapidly deploying 5G sites and are now live in multiple towns with our '5G Plus' offering. This was achieved by acquiring a significant amount of spectrum. To showcase 5G's capabilities, we established experience centres in our stores. We remain committed to invest in advanced technologies to enhance our services and strengthen our network infrastructure.

Building a stronger balance sheet

We remain focused on generating sustainable and strong cash flows, while delivering excellent operational and financial performance. During the year, we participated in a spectrum auction and acquired spectrum across multiple bands, amounting to over ₹400 billion. To make an upfront payment to the Government, we utilised a combination of business cash generation, proceeds from Google's investment and lower-cost debt, totalling over ₹83 billion. This upfront payment covers four years of spectrum dues. We believe that this upfront payment, along with a moratorium on spectrum dues and AGR-related payments for four years, will enhance our future cash flows and allow us to allocate resources to expand network coverage and roll out 5G.

Our focus remains on creating long-term value for our stakeholders by providing superior digital services, reducing debt, optimising our cost of capital, prudent capital allocation and improving operating cash flows to participate in the development of a Digital India.

▶ Read more in 'Manufactured Capital' on Page 78.