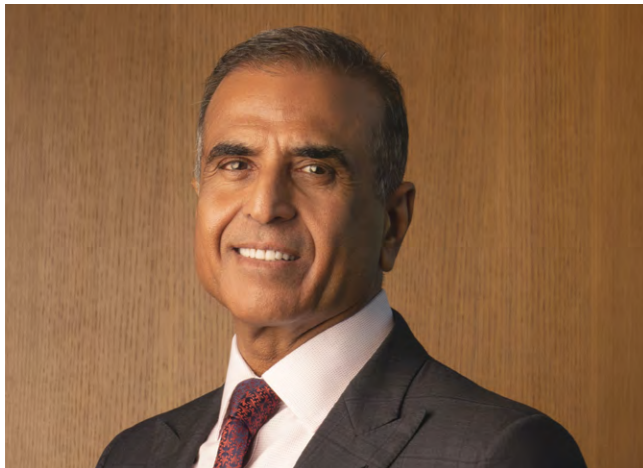


## Chairman's Message

## Excited for what the future holds



Dear Shareholders,

### Scaling New Heights

The Indian economy once again showcased resilience and stability, amid various global challenges such as synchronous monetary policy tightening, commodity inflation, supply chain headwinds and slowing economic growth in other major economies. As the global supply chain situation improves, a number of structural changes are being closely monitored. The Government of India's commitment to improve the productive capacity through continued investments on infrastructure, logistics, domestic manufacturing and making the country more self-reliant will structurally spur economic growth and encourage private sector investments. In a nutshell, the Indian economy is in good shape, with strong tailwinds.

FY 2022-23 was a milestone year in the Indian telecom industry with the launch of 5G services. We were able to leapfrog into the 5G era, supported by visible ease of doing business in the spectrum auction and allocation processes. Airtel became a frontrunner in this next generation of communication services, and created history by being the first telecom operator to have launched its 5G services in 8 cities on the occasion of the India Mobile Congress' 5G launch by the Hon'ble Prime Minister Shri Narendra Modi.

Our 5G solution is based on the most widely used global technology architecture that offers the best coverage and experience at the lowest Total Cost of Ownership (TCO). India's digital economy continues to grow at a strong pace and Airtel has been investing heavily towards accelerating the same. Along with giving Indian users a fiber-like speed on their mobile phones, 5G promises to usher an era of innovation and efficiency. Airtel is collaborating with top enterprises engaged in manufacturing, mobility, healthcare, logistics, and IoT, where 5G tech is becoming a catalyst for digital disruption, creating new revenue streams in the industry.

I am delighted to share that Airtel achieved the highest-ever market share in India, across its segments, be it in B2C or B2B businesses. Strong operating leverage through continued focus on operational excellence has resulted in robust operating cash flow generation. This keeps us steady, and on the path towards making our balance sheet stronger.

### Mobile Services

Airtel ended yet another year on a strong note with industry-leading revenue and EBITDA growth. The continued focus on attracting high-value customers with bundled offerings and superior experience yielded strong results, with more than 23 million 4G and 1.8 million postpaid customer additions during the year. In line with our strategy, we acquired mid-band 5G spectrum at scale and added some mid-band spectrum to fill the gaps in the existing pool.

There are already more than 31 million 5G-enabled smartphones on Airtel's network, and this figure is constantly growing. Equally significant is the fact that Airtel's 5G network is environment friendly, with a sharp focus on our commitments to the ESG framework.

### Non-mobility Services

In the Home Broadband and Airtel Business segments, the Company achieved yet another new milestone with the highest-ever revenue and EBITDA. This is a testimony of the Company's execution strength. With the renewed strategy, the Digital TV business saw an increase in market share despite headwinds. In Airtel Business, the strategy to go wide and deep has delivered exceptional results in select accounts, giving us the confidence to emulate this success elsewhere. Investments in Data Centers, undersea fiber cables and emerging digital offerings augur well for the business in years to come. 5G will be the primary pivot to drive growth by catalysing the 4<sup>th</sup> Industrial Revolution through enterprise use cases. Home broadband is now available in ~1,200 cities, with rollout being further strengthened via local cable operator partnerships. The Company added its highest-ever 1.6 million net customers to surpass the 6 million customer base, resulting in over 33% revenue growth.

### Digital

Over the years, Airtel has built a suite of digital assets for its customers. By leveraging cutting-edge digital technology to develop next-generation digital platforms, products, and services, the Company delivers an immersive experience to customers. In FY 2022-23, it launched digital financial services and a telco-first co-branded Axis Bank credit card. 60% of all monthly customer payments across Mobility, Broadband, and DTH, happen digitally/online. The portfolio

of digital offerings including Airtel Wynk, Airtel Thanks and Xstream has seen monthly active users growing 4x over the last 4 years, crossing the 200 million mark.

### Partnerships

Airtel continues to have strong strategic collaborations with industry leaders like Amazon, CISCO, Ericsson, Google, IBM, Intel, Meta, Microsoft, Netflix, Nokia, Oracle, Qualcomm and many more to deliver best-in-class products and services to our customers and lead the innovation revolution in the country.

### Digital Enablement of Network Operations

With 5G and 4G running in Radio, networks are becoming more complex, and Core networks are moving from cloud-native to automated and orchestrated (MANO) clouds. The transport network has multi-layer MPLS and optical networks. Airtel has been building the right tools and platforms to manage these complex network elements, and they are used from network planning to deployment and further for operations and end-to-end experience management. Airtel networks have been ranked No. 1 in many crowd-sourced independent benchmarking ratings, and the tools have also been recognised at the global level.

In collaboration with its trusted long-term partners, the Company successfully managed the global challenges and procured the network supplies to support the ongoing accelerated rollouts. In addition, it has developed an ecosystem of suppliers, in which many of its partners are now manufacturing indigenously.

“Over the years, Airtel has built a suite of digital assets for its customers. By leveraging cutting-edge digital technology to develop next-generation digital platforms, products, and services.”

### Africa

With consistent focus on serving customer needs, Airtel Africa delivered a strong financial performance despite global economic challenges, shining a spotlight on our resilient business model. In FY 2022-23, we successfully reduced hard currency debt, helping to mitigate the risk of foreign exchange volatility. Leverage remained extremely comfortable at 1.4x, broadly flat from the previous year. This was achieved alongside substantial investments in 4G and 5G spectrum in key markets to be ready to meet the growing opportunity in data. Almost 90% of capex investment was directed to growth initiatives that help

ensure a sustainably strong and reliable network. We have also established subsidiary company structures for data center and fiber businesses.

### Balance Sheet

Strong operating free cashflows amid accelerated investments on 5G and rural rollout supported the Company's debt reduction in FY 2022-23. It took a prudent decision to make an upfront payment for the 5G spectrum acquired in August 2022 and availed four years of moratorium. Airtel is well capitalised to fund future investment needs through internal accruals.

### Corporate Social Responsibility

Digital is at the heart of everything that Airtel does. This is also amply evident in the measurable strides taken by the Bharti Foundation in enabling the use of technology in its schools and through various initiatives. Children from Satya Bharti Schools participated in the World Robotics Championship, Technoxian 6.0, where they competed with students from schools in India and abroad. Furthermore, it has been heartening to see how a number of alumni have also been gainfully employed at Airtel.

### Sustainability and Governance

To drive its long-term sustainability vision, Airtel has been following a robust ESG framework. There is a unique window of opportunity for businesses to incorporate sustainability at the core. Such efforts will only accelerate macro level progress towards achieving net-zero targets and contribute to the wider climate action efforts. India has been at the forefront of mobilising activity on the green transition agenda, and mitigating climate change. A holistic green growth model can catalyse new industries, create new jobs and drive trillions of dollars of economic value. Achieving this transformative agenda requires strong collaborations between the government and private sector. The Company upholds the highest standards of governance backed by full transparency and disclosures.

### Vote of Thanks

I extend my sincere gratitude to our Board of Directors, management, resilient employees and esteemed customers, partners, suppliers, the entire distribution network and our valued shareholders for their continued support and confidence.

**Sunil Bharti Mittal**  
Chairman