

SHORT-TERM REPORT



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BHARTIARTL

SECTOR: TELECOMMUNICATIONS
 BSE: 532454 | NSE: BHARTIARTL

BUY

CMP: 517

TARGET: 568

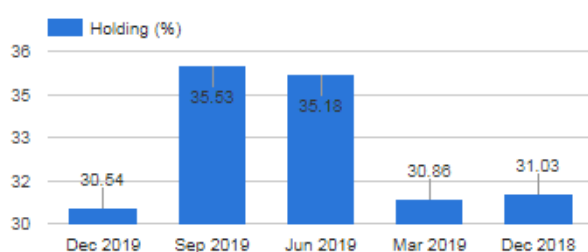
SL: 465

HIGHLIGHTS OF THE QUARTER

Bharti Airtel Limited is a leading global telecommunications company with operations in 16 countries across Asia and Africa. The company had over 419 million customers across its operations at the end of Q3FY20.

- Consolidated revenue expanded to Rs. 21,947cr (+8.5% YoY) while EBITDA rose 49.4% with improved margins (+11.5pps to 42.2%).
- Consolidated Mobile data traffic on the network grew 73.0% YoY to 5,357 PBs, with major contribution from Indian market (+72.4% YoY to 5,166 PBs).
- Airtel's mobile services in India registered robust growth of 29.9% YoY in ARPU of Rs. 135 in Q3FY20 (vs. Rs. 128 in Q2FY20). Mobile 4G data customers also increased by 60.6% YoY to 123.8mn in Q3FY20.
- With the strong growth in wireless business in India and stable KPI's, we upgrade our rating to BUY on the stock with a revised target price of Rs. 608 based on SOTP methodology.
- The company successfully raised Rs. 21,502cr of funding through a combination of fresh equity issuance via qualified institutional placement (QIP) and issue of convertible bonds. Although AGR judgement may or may not be favorable to the company, Airtel is in a position to repay the charges within the timeline with these fund raising activities.
- We expect gradual improvement in market share, increased ARPU's and easing liquidity pressure post recent funds raising despite AGR overhang. Airtel is also poised to benefit from IUC charges as JIO started charging subscribers on interconnect usage fee. Hence, we raise our rating to a BUY on the stock with a revised target price of Rs. 608 based on SOTP methodology.

Historical Institutional (FII + DII) holding in Bhartiartl

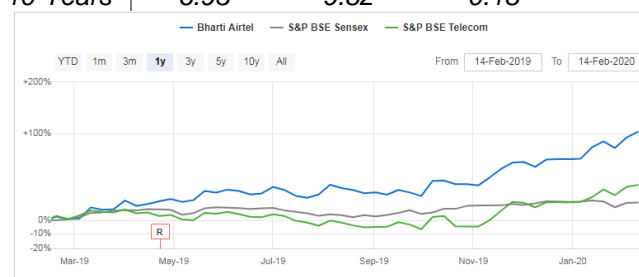


Company Data

Market Cap:	3,08,293.55Cr
Revenue (TTM)	84,418.50 Cr
Earnings (TTM)	-25,708.80Cr
Promoter Ownership	62.70%
Liquidity	High
52 Week Range	273.02 - 567.55
Face Value	05.00
Shares Outstanding	5,45,55,57,355
Cash	12,728.70 Cr
Total Debt	1,25,428.30 Cr

Stock Performance

Time Period	SRF	S&P BSE Sensex	S&P BSE Mid Cap 50
1 month	20.38	-1.66	12.28
3 months	55.86	2.41	43.68
1 Year	104.57	15.00	34.04
3 Years	18.59	13.34	-0.65
5 Years	11.62	7.23	-1.69
10 Years	6.93	9.82	0.18



Shareholding Summary Of Bhartiartl

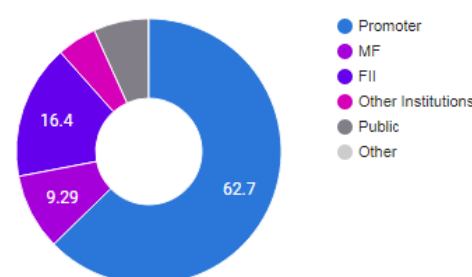


Exhibit 1: KEY RATIOS

Growth (%)	Quarterly		Annual (TTM)		
	QoQ	YoY	1-Year	3-Years	5-Years
Particulars					
Revenue	3.86	8.48	6.09	-5.01	-1.57
Operating Profit	4.72	39.85	23.38	-1.68	2.64
Net Profit	97.33	-257.29	-2,600.86	-282.72	-242.53
EPS	95.51	-1,118.84	-6,007.88	-268.63	-236.01
Book Value	--	--	2.72	2.50	3.60

Exhibit 2: Quarterly Financials Snapshot (Standalone)

	Q3FY20	Q3FY19	YoY Growth %	Q2FY20	QoQ Growth %	9MFY20	9MFY19	YoY Growth %
Revenue	21,947	20,231	8.5	21,131	3.9	63,816	60,178	6.0
EBITDA	9,267	6,202	49.4	8,860	4.6	26,407	19,148	37.9
EBITDA margins	42.2	30.7	1,150bps	41.9	30bps	41.4	31.8	960bps
Depreciation	6,941	5,472	26.8	6,935	0.1	20,635	15,854	30.2
EBIT	2,326	730	218.6	1,925	20.8	5,773	3,294	75.2
Interest	2,985	1,945	53.5	2,908	2.6	9,074	7,057	28.6
Other Income	53	11	n.m.	45	17.8	135	92	46.7
Exceptional Items	(1,050)	1,414	n.m.	(30,711)	n.m.	(33,230)	907	n.m.
Share of profit from Associate	152	(10)	n.m.	316	(51.7)	561	319	75.9
PBT	(1,503)	200	n.m.	(31,334)	(95.2)	(35,836)	(2,445)	n.m.
Tax	(1,038)	(182)	469.0	(8,504)	(87.8)	(10,149)	(3,557)	185.3
Minority Interest	570	296	92.4	215	165.5	1,259	809	55.6
Reported PAT	(1,035)	86	n.m.	(23,045)	(95.5)	(26,946)	302	n.m.
Adjustments	1,050	(1,414)	n.m.	25,030	(95.8)	26,080	(2,745)	n.m.
Adjusted PAT	15	(1,328)	n.m.	1,985	(99.2)	(866)	(2,443)	(64.6)
No. of shares	513.2	426.7	20.3	513.2	-	513.2	426.7	20.3
EPS (Rs.)	0.0	(3.1)	n.m.	3.9	(95.5)	(1.7)	(5.7)	n.m.

Exhibit 3: SWOT Analysis Of Bhartiairtel

STRENGTHS	WEAKNESS	OPPORTUNITIES	THREATS
1. Airtel is one of the largest cellular service provider in India, with over 260 million subscribers 2. Largest Telecom operator in the world with 200+ million subscribers across 19 countries make Airtel a strong brand 3. Airtel is the only Indian operator, with VSNL, that has an international submarine cable 4. High brand visibility of Airtel 5. Strong advertising with celebrity brand ambassadors has boosted the brand 6. Airtel has great value added services like Airtel money, online recharges, bill payments 7. Countries like Srilanka, Bangladesh, Africa have a strong subscriber base	1. Price competition from other telecom players means limited market share. 2. User privacy is an allegation which the brand has had to face	1. Fast expanding cellular market can be tapped by Airtel 2. Latest and low cost technology can be used by Airtel due to its strong presence 3. Untapped rural market	1. New entrant's low price offering can reduce market share 2. Saturation point in basic telephony service can be tapped by Airtel 3. Mobile Number Portability can be used by the company to tap competitor subscribers

Exhibit 4: Recommendation Chart



Technical View:-

- 1) In daily chart, in short term stock is in strong up trend.
- 2) In daily chart, stock has started to rise again from its upward sloping trend line and 20 EMA.
- 3) In hourly charts, stock has given a positive crossover i.e. 20 EMA has crossed 50 EMA on upside which shows bullish indications.
- 4) RSI is above its signal line i.e. 50 level showing bullish indications