bharti

February 04, 2020

**National Stock Exchange of India Limited**
Exchange Plaza, C-1 Block G
Bandra Kurla Complex, Bandra (E)
Mumbai – 400051, India

**BSE Limited**
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai – 400001, India

***Ref: Bharti Airtel Limited (BHARTIARTL/532454)***

***Sub: Press Release w.r.t. financial results for the third quarter (Q3) ended December 31, 2019***

Dear Sir / Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the press release being issued by the Company with regard to the audited financial results of the Company for the third quarter (Q3) ended December 31, 2019.

Kindly take the same on record.

Thanking you,

Sincerely Yours,

**For Bharti Airtel Limited**

Bharti Airtel Limited
New Delhi

**Rohit Krishan Puri**
**Dy. Company Secretary & Compliance Officer**

# Bharti Airtel Limited

## Consolidated Revenues at Rs 21,947 crore up 8.5% Y-o-Y (10.5% on an underlying basis)

## India revenues at Rs 15,797 crore up 7.0% Y-o-Y (9.7% on an underlying basis)

## Consolidated EBITDA at Rs 9,350 crore; EBITDA Margin at 42.6%

## Net loss (before exceptional items) at Rs 1,080 crore

## Net loss (after exceptional items) at Rs 1,035 crore

## Consolidated Mobile data traffic on network grew 73% Y-o-Y

## *Bharti Airtel announces consolidated Ind AS results for the third quarter ended December 31, 2019*

**Effective April 1, 2019, the Company adopted Ind AS116 "Leases". The results for the quarter December 31, 2019 includes the impact of Ind AS116 and the same are not comparable with the prior period results.**

### Highlights for the third quarter ended December 31, 2019 *(including impact of Ind AS 116)*

~ Overall customer base stands at 419 million across 16 countries
~ Consolidated total revenues at Rs 21,947 crore, up 8.5% Y-o-Y. (Underlying growth of 10.5% Y-o-Y)
~ India revenues up 7.0% Y-o-Y (9.7% on an underlying basis); Africa revenues up 14.2% Y-o-Y
~ Mobile data traffic on the network grew to 5,357 PBs in the quarter; growth of 73% Y-o-Y
~ Highest ever 4G subscriber additions during the quarter at ~ 21 Mn.
~ Consolidated EBITDA at Rs 9,350 crore. Consolidated EBITDA margin at 42.6%, up 11.4% Y-o-Y
~ India EBITDA margin at 41.2%, up 13.3% Y-o-Y
~ Africa EBITDA margin at 45.1%, up 6.1% Y-o-Y
~ Net Loss (before exceptional items) for Q3'20 at Rs 1,080 crore
~ Net Loss (after exceptional items) for Q3'20 at Rs 1,035 crore
~ Total Capex spend for the quarter of Rs 5,183 crore

**New Delhi, India, February 04, 2020:** Bharti Airtel Limited ("Bharti Airtel" or "the Company") today announced its audited consolidated Ind AS results for the third quarter ended December 31, 2019.

### Q3'20 Performance:

The consolidated revenues for Q3'20 at Rs 21,947 crore grew 10.5% Y-o-Y (reported increase of 8.5% Y-o-Y) on an underlying basis. Consolidated mobile data traffic at 5,357 PBs in the quarter has registered a healthy Y-o-Y growth of 73%.

India revenues for Q3'20 at Rs 15,797 crore have increased by 9.7% Y-o-Y (reported increase of 7.0% Y-o-Y) on an underlying basis. Mobile revenues have witnessed a Y-o-Y growth of 9.6% led by a strong focus on quality customers, up-trading and in some part benefitted by the recent tariff actions, although the full impact of the tariff actions is yet to be seen. Consequently, ARPU has improved from Rs 128 to 135 Q-o-Q. Mobile data traffic has increased to 5,166 PBs in the quarter as compared to 2,996 PBs in the corresponding quarter last year. Mobile 4G data customers increased by 60.6% to 123.8 Mn from 77.1 Mn in the corresponding quarter last year. This quarter witnessed strong 4G customer additions of ~ 21 Mn. Digital TV revenue witnessed a growth of 15.6% Y-o-Y on an underlying basis (decline of 23.3% on reported basis due to reporting changes in DTH pursuant to the new tariff order). Airtel Business revenue witnessed a growth of 6.6% on Y-o-Y basis.

Consolidated EBITDA at Rs 9,350 crore increased 48.3% Y-o-Y. Consolidated EBITDA margin increased by 11.4% to 42.6% in the quarter as compared to 31.2% in the corresponding quarter last year. Consolidated EBIT increased by 195.2% Y-o-Y to Rs 2,401 crore. The Consolidated Net Loss before exceptional items for the quarter stands at Rs 1,080 crore. The Consolidated Net Loss after exceptional items for the quarter stands at Rs 1,035 crore.

In the previous quarter, arising from a judgement of the Hon'ble Supreme Court of India on October 24, 2019 ('Court Judgement'), in the absence of any potential reliefs from the Government, the Group had recorded as a liability/provision an aggregate of Rs. 34,260 crore as at September 30, 2019 (of which Rs. 28,450 crore was recorded in previous quarter as exceptional item). The Court Judgement was in relation to a long outstanding industry-wide case upholding the view considered by Department of Telecommunications ('DoT') in respect of the definition of Adjusted Gross Revenue ('AGR'). The Hon'ble Supreme Court in a Supplementary Order of the same date directed the affected parties to pay amounts due to DoT within a period of three months, which ended on January 23, 2020. These judgements/orders have significant financial implications on the Group. A Review Petition filed by the Group and other telecom operators against the above Court Judgement was rejected in January 2020. Thereafter, the telecom operators have filed an application for modification of the Supplementary Order before the Hon'ble Supreme Court of India, which is pending disposal.

Subsequent to the reporting period the Company has successfully raised Rs. 21,502 crore of funding through a combination of fresh equity issuance via qualified institutional placement and issue of convertible bonds. The company intends to use these proceeds to augment its long term resources and strengthen its balance sheet. Pursuant to the infusion of fresh equity and long-term financing via convertible bonds subsequent to the reporting period ended December 31, 2019 and available liquidity/facilities with the Group, the management has concluded that the previously reported material uncertainty on the Group's ability to continue as a going concern no longer exists.

**In a statement, Gopal Vittal, MD and CEO, India & South Asia, said:**

We added ~21 Mn 4G customers to our mobile network and delivered superior value to our customers through the Airtel Thanks program. Data traffic saw strong growth of ~72% Y-o-Y. We are on track to shut down our 3G networks across India and re-farm the 900 and 2100 band spectrum to further boost our 4G footprint to serve the surging demand for high speed data.

"While tariff revision undertaken in December 2019 is a welcome step towards repairing the financial health of the industry, we believe tariffs must go up further for enabling the industry to invest in emerging technologies" added Gopal Vittal.

*Note - Pursuant to its listing at the London Stock Exchange (LSE) and Nigeria Stock Exchange (NSE), our subsidiary, Airtel Africa Plc has already declared results and investors can visit its website https://airtel.africa to access its results.*

**Summary of the Consolidated Statement of Income – *represents consolidated Statement of Income as per Indian Accounting Standards (Ind-AS)***

(Amount in Rs crore, except ratios)

| Particulars | Quarter Ended | | Y-o-Y Growth |
|---|---|---|---|
| | Dec 2019 | Dec 2018 | |
| Total revenues | 21,947 | 20,231 | 8.5% |
| EBITDA | 9,350 | 6,307 | 48.3% |
| *EBITDA/ Total revenues* | *42.6%* | *31.2%* | 11.4% |
| EBIT | 2,401 | 813 | 195.2% |
| *EBIT/ Total revenues* | *10.9%* | *4.0%* | 6.9% |
| Profit before tax | (453) | (1,213) | nm |
| Net Income | (1,035) | 86 | nm |
| Operating free cash flow (EBITDA - Capex) | 4,167 | (261) | nm |

Amounts for the period ended December 31, 2019 are not comparable with prior period due to adoption of IndAS 116 w.e.f April 1, 2019.

**Customer Base**

(Figures in nos, except ratios)

| Particulars | Unit | Dec 2019 | Sep-19 | Q-o-Q Growth | Dec 2018 | Y-o-Y Growth |
|---|---|---|---|---|---|---|
| India | 000's | 308,738 | 304,703 | 1.3% | 303,268 | 1.8% |
| South Asia | 000's | 2,933 | 2,840 | 3.3% | 2,509 | 16.9% |
| Africa | 000's | 107,140 | 103,881 | 3.1% | 97,922 | 9.4% |
| **Total** | **000's** | **418,811** | **411,424** | **1.8%** | **403,699** | **3.7%** |

## About Bharti Airtel Limited

Bharti Airtel Limited is a leading global telecommunications company with operations in 18 countries across Asia and Africa. Headquartered in New Delhi, India, the company ranks amongst the top 3 mobile service providers globally in terms of subscribers. In India, the company's product offerings include 2G, 3G and 4G wireless services, mobile commerce, fixed line services, high speed home broadband, DTH, enterprise services including national & international long distance services to carriers. In the rest of the geographies, it offers 2G, 3G, 4G wireless services and mobile commerce. Bharti Airtel had over 418 million customers across its operations at the end of December 2019. To know more please visit, www.airtel.com

## Disclaimer:

*[This communication does not constitute an offer of securities for sale in the United States. Securities may not be sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended. Any public offering of securities to be made in the United States will be made by means of a prospectus and will contain detailed information about the Company and its management, as well as financial statements.]*