

October 27, 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 second quarter (Q2) ended September 30, 2020

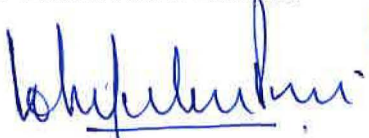
Dear Sir/ Ma'am,

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 second quarter (Q2) ended September 30, 2020.

Kindly take the same on record.

Thanking you,
Sincerely Yours,

For Bharti Airtel Limited



Rohit Krishan Puri
Dy. Company Secretary & Compliance Officer



Bharti Airtel Limited
(a Bharti Enterprise)

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Bharti Airtel Limited

Q2 FY21 Highlights

- **Bharti Airtel posts its highest ever consolidated quarterly revenues**
- **India business delivers strong growth across revenue, margins, customers**
- **Consolidated quarterly revenues at Rs 25,785 crore – up 22.0% YoY**
- **Consolidated EBITDA at Rs 11,848 crore; EBITDA margin at 46.0% - improvement of 366 bps YoY**
- **Consolidated EBIT at Rs 4,412 crore; EBIT margin at 17.1% - improvement of 768 bps YoY**
- **India revenues Rs 18,747 crore up 22.0% YoY led by strong 4G customer momentum and up-trading**
- **Mobile services India revenues up 26.0% YoY**
- **Mobile ARPU at Rs 162 vs Rs 128 in Q2'20**
- **4G data customers at 152.7 Mn, up by 14.4 Mn for the quarter**
- **Usage metrics remain best in class; Data usage per sub at 16.0 GBs/month**
- **Continues to provide brilliant network experience, now with a robust network of more than 200K towers**
- **Airtel Business and Homes sees revenue growth of 7.5% and 7.3% YoY respectively**
- **DTH added 549K customers during the quarter. Base increases from 16.8 Mn in Q1'21 to 17.4 Mn in Q2'21**
- **Digital Services now amongst the strongest in the country - 160 Mn digitally engaged customers**
- **Enables customers and businesses to remain connected during Covid**

Bharti Airtel announces consolidated Ind AS results for the second quarter ended September 30, 2020

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases". The results for the quarter ended September 30, 2020 includes the impact of Ind AS 116.

Highlights for the second quarter ended September 30, 2020

Consolidated

- Overall customer base stands at ~440 million across 16 countries
- Total revenues at Rs 25,785 crore, up 22.0% YoY
- EBITDA at Rs 11,848 crore, up 32.6% YoY; EBITDA margin at 46.0%, up 3.7% YoY
- EBIT at Rs 4,412 crore, up 121.4% YoY; EBIT margin at 17.1%, up 7.7% YoY
- Net loss (before exceptional items) for Q2'21 at Rs 744 crore, Net loss (after exceptional items) for Q2'21 at Rs 763 crore
- Total Capex spend for the quarter of Rs 6,791 crore

India & Africa

- India revenues up 22.0% YoY; EBITDA margin at 45.8%, up 4.7% YoY. EBIT margin at 13.0%, up 9.8% YoY
- Africa revenues (in constant currency) up ~20% YoY, EBITDA margin at 45.3%, up 1.5% YoY, EBIT margin at 27.9%, up 2.4% YoY

New Delhi, India, October 27, 2020: Bharti Airtel Limited ("Bharti Airtel" or "the Company") today announced its audited consolidated Ind AS results for the second quarter ended September 30, 2020.

Q2'21 Performance:

The consolidated revenues for Q2'21 at Rs 25,785 crore grew 22.0% YoY with strong growth across the portfolio – geographies and segments. Consolidated mobile data traffic at 7,403 PBs in the quarter with a healthy YoY growth of 58.8%.

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India revenues for Q2'21 at Rs 18,747 crore increased by 22.0% YoY. Mobile revenues grew by 26.0%. This is an outcome of the company's unrelenting focus on winning with quality customers on the back of a solid network, aspirational brand and delivery of a differentiated experience. Resultantly, ARPU for the quarter is at Rs 162 as compared to Rs 128 in Q2'20.

The company continues to garner a strong share of the 4G net ads in the market. 4G data customers¹ increased by 48.1% to 152.7 Mn compared to the previous year while traffic increased to 77.3 PB/day vs 48.9 PB/day in the corresponding quarter last year. Engagement parameters continue to be best in industry – average data usage per data sub at 16.0 GBs/month; while voice usage was at 1,005 mins/sub/month. We continue to make progress on improving customer experience. We were awarded the 'Best Network Experience' for Gaming, Video, download speed and voice by Open Signal in their Sep'20 report. We continue to leverage the power of one Airtel to serve the evolving consumer behaviour - bank, secure payments and One Airtel propositions. After slowdown in site deployment due to COVID, we accelerated roll-outs in Q2 and added 5K+ sites to cross the 200,000 site count mark. We continue to remain focused on optimally augmenting our coverage and capacities to offer a differentiated network experience.

Homes business segment witnessed a revenue growth of 7.3% YoY. We added over ~129K customers during the quarter to reach to a total base of 2.58 Mn. We re-calibrated our offering and launched Xstream bundles with content and unlimited internet to accelerate penetration. The company signed on many more LCO partnerships in non-wired cities, extending the model to 48 cities. The company also focused on fast-track network expansion by rolling out Fibre Home Passes and upgrading existing copper network during the quarter.

Airtel Business continues to accelerate its momentum with 7.5% YoY growth, driven by data demand across global business and enterprise & government business. To further leverage growth from "Work from Home", various products were launched. Airtel BlueJeans, Airtel Secure, Airtel Cloud and Airtel IQ were launched to meet the specific needs of our B2B customers. In the Government segment, we are seeing gradual recovery and change in focus towards IT modernization and investments in security & cloud. In addition, there is a big drive on Energy Management Systems, robust connectivity platforms to enable Government connect with citizens and focus on smart cities. We are well positioned to serve this demand. Overall, the company remains fully geared and focused towards becoming a solution provider of repute and go beyond connectivity and drive solutions such as cloud, security, data centres and CPaaS solutions.

Digital TV witnessed a growth of 1.9% YoY on an underlying² basis, on the back of strong customer additions² of 549K during the quarter. We continued to expand our channel portfolio and are also working with educational institutions to broadcast classes to students to ensure education is not disrupted.

Airtel's journey as a digital services provider of strength continues to improve. We now have 160 Mn digitally engaged users. On Wynk - we are now #1 in terms of MAUs (59.3 Mn in Q2'21) with an addition of ~9 Mn during the quarter; Thanks platform has 81.6 Mn MAUs in Q2, with an addition of ~8 Mn and Airtel Xstream is at 33.7 Mn MAUs, addition of ~8 Mn users during the quarter.

There are over 1.1 million retailers transacting and making payments every day on Mitra App. Online recharges continue to contribute ~50% of overall revenues. As part of our strategy to build new revenue streams from best-in-class digital services, the company has forayed into the fast-growing Indian cloud communications market with the launch of Airtel IQ, an omni-channel Cloud based communications platform. Developed by Airtel's digital team, Airtel IQ helps businesses deepen customer engagement by orchestrating seamless and secure communication across voice, SMS, IVR in their applications through a unified platform.

Further in line with our partnership model and to augment our Cloud service offerings, we entered into a partnership with AWS Professional Services to develop differentiated Airtel Cloud products and capabilities leveraging AWS services, Airtel's data center capabilities and Airtel's network and telecoms offerings.

We also launched Airtel Secure, a suite of cyber security solutions for large, medium and small businesses as they shift to digital and cloud platforms, increasing the need to protect data and information from online attacks. We have partnered with firms like Cisco, VMware, Radware and Forcepoint to jointly provide cyber security solutions to both enterprises and government.

¹ Data Customer Base – A customer who has used atleast 1 MB on GPRS/3G/4G network in the last 30 days. Customer Base is defined as customers generating revenue through recharge, billing or any outgoing activity.

² The term 'Underlying' refers to impact of accounting policy change deferring activation, installation & rental revenue over the life of the customer under DTH business in FY'20.

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Consolidated EBITDA witnessed an increase of 32.6% YoY to Rs 11,848 crore in Q2'21. This led to an improvement in EBITDA margin from 42.3% in Q2'20 to 46.0% in Q2'21. Incremental EBITDA margins across businesses remained healthy, with mobile services EBITDA improving from 36.3% in Q2'20 to 42.6% in Q2'21.

Consolidated EBIT increased by 121.4% YoY to Rs 4,412 crore. The Consolidated Net Loss before exceptional items for the quarter stands at Rs 744 crore. The Consolidated Net Loss after exceptional items for the quarter stands at Rs 763 crore.

The Net Debt-EBITDA ratio (annualized) and including the impact of leases as on September 30, 2020 is at 2.91 times as compared to 3.30 times as on September 30, 2019. Excluding pending AGR dues, the Net Debt-EBITDA ratio (annualized) is at 2.41 times as on September 30, 2020.

Supreme Court ruling on AGR matter: Pursuant to the judgment of the Hon'ble Supreme Court of India on October 24, 2019 ('Court Judgment') including subsequent supplementary judgments, and in the absence of any potential reliefs, the Group provided for Rs. 368,322 Mn for the periods upto March 31, 2020 on the basis of demands received and the period for which demands have not been received having regard to assessments carried out in earlier years and the guidelines / clarifications in respect of License Fees and Spectrum Usage Charges ('AGR Provision').

On July 20, 2020, the Hon'ble Supreme Court, after hearing all parties, observed that the amounts of AGR dues given by DoT in their modification application is to be treated as final ('DoT Demand') and there can be no scope of re-assessment or recalculation. Consequently, without prejudice and on prudence, during the quarter ended June 30, 2020 the Group had further recorded an incremental provision of Rs. 107,444 Mn (including net interest on total provision created considering interest rate as per the affidavit filed by DoT on March 16, 2020 with effect from the date of Court Judgment) to give effect of the differential amount between the AGR Provision and the DoT Demand along with provision for subsequent periods for which demands have not been received computed on the basis of the License Agreement read with the guidelines / clarifications and the Court Judgment, which had been presented as exceptional item. During the quarter ended September 30, 2020, the Company has continued to recognize its AGR obligations based on Court Judgment and guidelines/clarifications received from DoT in respect of License Fees and Spectrum Usage Charges.

Further, in its judgment dated, September 1, 2020 the Hon'ble Supreme Court reaffirmed that the demand raised by the DoT stated in its modification application as final and no dispute or re-assessment shall be undertaken. In addition, Hon'ble Supreme Court directed that the Telecom Operators shall make a payment of 10% of the total dues as demanded by DoT, by March 31, 2021 and remaining dues in yearly instalments commencing April 1, 2021 till March 31, 2031, payable by March 31 of every succeeding financial year. The Group has represented to DoT that it has already paid more than 10% of the total dues as demanded by DoT and will ensure ongoing compliance with the Hon'ble Supreme Court's orders.

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

"Despite being a seasonally weak quarter, we delivered a strong performance with revenue growing at ~22% YoY. In the mobile segment, we added over ~14 Mn 4G customers and grew revenues by ~26%. Our focus on building the most aspirational brand in Indian Telecom to win quality customers is delivering results. Our data consumption grew by 58% YoY which reflects strong engagement of customers on our network. This further underscores our DNA of customer obsession and delivering brilliant experiences through a future ready network and innovative digital platforms. Other lines of business also continued with steady growth momentum, with Airtel business growing 7.5% YoY.

We stay committed to improving the profitability of the business. Our continued focus on ARPU improvement and cost optimization led to EBITDA margin expansion by over ~ 158 bps in the quarter sequentially".

COVID-19

With the series of unlocks throughout the country, we see a gradual return to normalcy. However, while the economy opens up, the COVID pandemic continues. Delivering uninterrupted services and great end user experience while ensuring safety of our employees and partners continues to remain our key priority. We continue to drive awareness about digital channels for online recharges and payments, as well as redressal of customer complaints.

Network: Connectivity has become even more essential across all realms of life – work, education or entertainment. We accelerated the pace of our infrastructure deployment to support growing customer needs. Our network teams continue to ensure urgent response for service restoration where impacted, while simultaneously improving the overall network experience of customers through digital tools and analytics.

Governance: We continue to closely track all developments through a 24*7 war room with rigorous cadence of leadership meetings chaired by the CEO to monitor safety of our employees and partners, review network and customer experience along with business performance.

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Safety and society: Our utmost priority remains safety of our employees and partnerships. We have provided all sanitation essentials to our workforce on the field and stepped up hygiene measures across all our offices. All our retail stores are maintaining social distancing norms, restricting number of customers inside the store at any time. We reopened our offices across the country with voluntary attendance ensuring strict adherence to local regulations. We have also ensured comprehensive insurance coverage for our employees, and extended financial support to our partners wherever critical for medical expenses. We tied up with various hospitals across India, appointed a national health advisor, and empanelled a network of doctors to ensure immediate medical consultation, not only for our employees but for their families as well.

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
	Sep 2020	Sep 2019	
Total revenues	25,785	21,131	22.0%
EBITDA	11,848	8,936	32.6%
EBITDA/ Total revenues	46.0%	42.3%	3.7%
EBIT	4,412	1,993	121.4%
EBIT/ Total revenues	17.1%	9.4%	7.7%
Profit before tax	567	(623)	191.0%
Net Income	(763)	(23,045)	96.7%

Customer Base

(Figures in nos, except ratios)

Particulars	Unit	Sep 2020	Jun-20	Q-o-Q Growth	Sep 2019	Y-o-Y Growth
India	000's	320,605	305,689	4.9%	304,703	5.2%
South Asia	000's	2,865	2,847	0.6%	2,840	0.9%
Africa	000's	116,371	111,461	4.4%	103,881	12.0%
Total	000's	439,841	419,996	4.7%	411,424	6.9%

About Airtel

Headquartered in India, Airtel is a global telecommunications company with operations in 18 countries across South Asia and Africa. The company ranks amongst the top three mobile operators globally and its mobile network covers a population of over two billion people. Airtel is India's largest integrated telecom provider and the second largest mobile operator in Africa. At the end of September 2020, Airtel had approx. 440 Mn customers across its operations.

Airtel's portfolio includes high speed 4G/4.5G mobile broadband, Airtel Xstream Fiber that promises speeds upto 1Gbps, converged digital TV solutions through the Airtel Xstream 4K Hybrid Box, digital payments through Airtel Payments Bank as well as an integrated suite of services across connectivity, collaboration, cloud and security that serves over one million businesses.

Airtel's OTT services include Airtel Thanks app for self-care, Airtel Xstream app for video, Wynk Music for entertainment and Airtel BlueJeans for video conferencing. In addition, Airtel has forged strategic partnerships with hundreds of companies across the world to enable the Airtel platform to deliver an array of consumer and enterprise services.

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.]

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.