bharti

July 29, 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 first quarter (Q1) ended June 30, 2020

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 first quarter (Q1) ended June 30, 2020.

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
(a Bharti Enterprise)
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CIN: L74899DL1995PLC070609

Bharti Airtel Limited

Q1 FY21 Highlights

Consolidated revenues at Rs 23,939 crore up 15.4% YoY (15.8% on an underlying basis)

Consolidated EBITDA at Rs 10,639 crore; EBITDA margin at 44.4%

Consolidated Profit before tax and exceptional items at Rs 372 crore, up 124% YoY

India revenues at Rs 17,589 crore up 14.6% YoY (15.1% on an underlying basis)

Mobile services India revenues up 18.5% YoY – with best in the industry operating and engagement metrics - ARPU at Rs 157 vs Rs 129 in Q1'20

4G data customers up by 43 Mn through the year – a growth of 45.3% YoY to reach 138.3 Mn in Q1'21

Strong Mobile data traffic growth of ~72.7% YoY - Highest ever Data usage per sub at 16.3 GBs/month;

Airtel Business witnessed a revenue growth of 9.2% YoY; while DTH & Homes business continued to remain steady

Company continued to render exceptional services to allow its customers and businesses to remain connected during the unprecedented COVID-19 pandemic

Undertook various humanitarian measures to help society and nation tide over this crisis

Bharti Airtel announces consolidated Ind AS results for the first quarter ended June 30, 2020

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

Highlights for the first quarter ended June 30, 2020

Consolidated

- Overall customer base stands at ~420 million across 16 countries
- Total revenues at Rs 23,939 crore, up 15.4% YoY (underlying growth of 15.8% YoY)
- EBITDA at Rs 10,639 crore, up 25.3% YoY; EBITDA margin at 44.4%, up 3.5 p.p. YoY
- EBIT at Rs 3,328 crore, up 107.4% YoY; EBIT margin at 13.9%, up 6.2 p.p. YoY
- Net loss (before exceptional items) for Q1'21 at Rs 436 crore, Net loss (after exceptional items) for Q1'21 at Rs 15,933 crore
- Total Capex spend for the quarter of Rs 3,975 crore

India & Africa

- India revenues up 14.6% YoY (15.1% on an underlying basis); EBITDA margin at 44.3%, up 4.8 p.p. YoY. EBIT margin at 10.0%, up 8.4 p.p. YoY
- Africa revenues (in constant currency) up 13% YoY, EBITDA margin at 44.0%, up 0.6 p.p. YoY, EBIT margin at 24.7%, up 0.2 p.p. YoY

New Delhi, India, July 29, 2020: Bharti Airtel Limited ("Bharti Airtel" or "the Company") today announced its audited consolidated Ind AS results for the first quarter ended June 30, 2020.

Q1'21 Performance:

The consolidated revenues for Q1'21 at Rs 23,939 crore grew 15.4% YoY on reported basis (15.8% YoY on an underlying basis). Consolidated mobile data traffic at 7,019 PBs in the quarter has registered a healthy YoY growth of 73.5%.

India revenues for Q1'21 at Rs 17,589 crore have increased by 14.6% YoY on a reported basis (15.1% YoY on an underlying basis). Mobile revenues have witnessed a YoY growth of 18.5%. ARPU for the quarter is at Rs 157 as compared to Rs 129 in Q1'20 led by full impact of our tariff hikes in the previous quarter alongside our continuing focus on quality customers. 4G data

customers[1] have increased by 45.3% to 138.3 Mn from 95.2 Mn in the corresponding quarter last year while traffic has increased to 74.09 PB/day vs 42.90 PB/day in the corresponding quarter last year. Engagement parameters continue to be best in industry – average data usage per data sub at 16.3 GBs/month; while voice usage was at 994 mins/sub/month.

Airtel Business continues to accelerate its revenue growth momentum with a 9.2% YoY growth led by growth across all its segments – connectivity revenues from global business, domestic enterprise business besides solutions such as data centres, cloud, IOT. In the new world order of work from home post COVID-19, the company remains excited about this area of business and has continued to invest to ensure strong growth.

Digital TV revenue witnessed a growth of 9.3% YoY on an underlying basis, on the back of strong customer additions growth of 5.1% to 16.8 Mn from 16.0 Mn in the corresponding quarter last year. The rollout of the new tariff order also helped Airtel in improving its market share and revenue growth. Effective March 1, 2020 onwards, the company has implemented new guidelines of NCF (Network Carriage Fees) under the new tariff order.

Homes business segment continues to remain steady and witnessed a revenue growth of 1.4% YoY. Although on a YoY basis, customer base increased by 4.5%, growth was impacted during the quarter on account of closure of several commercial establishments owing to COVID. The company continues to invest in this segment with all new roll-outs fully being on fibre. In order to augment its footprint across the length and breadth of the country; the company continues to capture demand in un-wired cities through a LCO partnership model which is now live in 14 cities.

Airtel's journey as a digital business continues to grow strongly in Q1'21. There are over 1.1 million retailers transacting and making payments every day on Mitra App. In order to further increase penetration of the digital services, the Thanks app is now available in 11 vernacular languages, developed through in-house capabilities of native language processing. In line with our philosophy of deep partnerships, Verizon and Airtel have partnered to bring secure Enterprise-Grade BlueJeans Video Conferencing service to India to help people communicate with simple, reliable and trusted solutions, while meeting the stringent security needs of banks, healthcare providers and other organizations. The offering includes a cloud point of presence in India enabling low latency and improved quality of service for India-based customers.

During the quarter Airtel and Carlyle entered into an agreement whereby Carlyle will acquire approximately 25% stake in Airtel's Data Centre business at a valuation of US$1.2 billion, subject to customary approvals. All of the above underscore the significant growth potential in an emerging Digital India.

Consolidated EBITDA witnessed an increase of 25.3% YoY to Rs 10,639 crore in Q1'21. This led to an improvement in EBITDA margin by 3.5 p.p. YoY to 44.4%. Incremental EBITDA margins across businesses remained healthy, with mobile services clocking an incremental EBITDA margin of 4.9 p.p. YoY on account of retooling many costs.
Consolidated EBIT increased by 107.4% YoY to Rs 3,328 crore. The Consolidated Net Loss before exceptional items for the quarter stands at Rs 436 crore. The Consolidated Net Loss after exceptional items for the quarter stands at Rs 15,933 crore.

The Net Debt-EBITDA ratio (annualized) and including the impact of leases as on June 30, 2020 is at 2.74 times as compared to 3.43 times as on June 30, 2019.

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').

The Hon'ble Supreme Court on June 11, 2020 directed the telecom operators to file their proposals, as to the time frame required by them to make the payment and what kind of securities, undertakings and guarantees should be furnished to ensure that the Adjusted Gross Revenue ('AGR') dues are paid.

On June 18, 2020, the Hon'ble Supreme Court inter alia considered the affidavit filed by the telecom operators and directed all the telecom operators to file certain documents and also make payments of reasonable amounts to show their bonafides before the next date of hearing. The matter was listed for hearing on July 20, 2020 wherein the Hon'ble Supreme Court, after hearing all parties, observed that the amounts of AGR dues given by DoT is to be treated as final ('DoT Demand') and there can be no

[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.

scope of re-assessment or recalculation. Further, the Hon'ble Supreme Court reserved its order on the issue of period over which such payments could be made and terms thereof.

Consequently, without prejudice and on prudence, during the quarter ended June 30, 2020 the Group has 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 DoT Demand along with provision for subsequent periods for which demands have not been received computed based on the terms of the License Agreement, Court Judgment and the guidelines / clarifications and AGR Provision, which has been presented as exceptional item.

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

"We are going through an unprecedented crisis caused by COVID. Despite this, our teams have served the country well and kept our customers connected. Data traffic growth surged by ~73% YoY even as 4G net additions slowed down to 2 Million caused by supply chain shocks in the device eco system. Revenues grew by 15% Y-o-Y and performance was satisfactory across all segments. Our flagship "War on Waste" program, helped improve EBITDA margin by 1.6% over the previous quarter. To serve our customers even better, we have launched a company-wide program to improve our customer experience. We continue to invest in the best of emerging technologies to make our networks future ready.

We have made rapid strides in our digital business, with nearly 155 million monthly active users across Airtel Thanks, Wynk, Xstream and our payments platforms. Today, 60 percent of Airtel's entire business goes through its digital channels. We are most excited about the string of partners we are attracting in order to build greater stickiness and ultimately growth from our digital assets."

COVID-19

We are operating in an unprecedented situation and telecom has become an essential service. Delivering uninterrupted services and great end user experience through several rounds of lockdowns and un-locks over the last quarter, has been our priority. The situation is evolving on a daily basis and we are monitoring it closely district by district. One key customer grievance was the inability to access their regular retailers to recharge during lock-downs. Towards this we have enabled many new channels like ATMs, Pharmacies, Groceries, Post Offices etc. while also driving and educating customer towards online recharges and payments.

Network: Remaining connected has become paramount for users for their work, education, social interactions and entertainment. This has led to a significant increase in data traffic, and despite this our priority is to ensure that our customers continue to enjoy brilliant experiences on our network. Our field teams have continued to operate tirelessly ensuring that our networks are up and running, even during the lockdown. We continue to deploy new infrastructure to support the growing demand while complying with district level regulations and guidelines.

Governance: We have a strong business continuity plan in place. We have created a war room to closely supervise all developments and the daily meetings are chaired by the CEO to monitor safety of our employees and partners, review network, customer service and business performance.

Society: The lockdown in the last quarter has resulted in financial challenges for our distribution partners and retail franchise network. Taking cognizance of this, Airtel contributed towards basic salaries of upto 30,000 employees of our channel partners for the month of April and May. Further, we continue to work with the government to help raise awareness and share best practices through several means.

Safety: Our topmost priority is the health and well-being of our employees, partners and customers, and we have taken all the necessary steps to ensure their safety. The company extended COVID-19 insurance coverage to all its associates and partners. We have provided all sanitation essentials to our workforce on the field. All our Retail stores are maintaining social distancing norms, restricting number of customers inside the store at any time. While we have opened up our offices, maintaining high levels of hygiene standards and precautions, we have kept the attendance as voluntary, enabling a large part of our workforce to continue operating from home.

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
	Jun 2020	Jun 2019	
Total revenues	23,939	20,738	15.4%
EBITDA	10,639	8,493	25.3%
EBITDA/ Total revenues	*44.4%*	*41.0%*	3.5%
EBIT	3,328	1,605	107.4%
EBIT/ Total revenues	*13.9%*	*7.7%*	6.2%
Profit before tax	372	(1,530)	124.3%
Net Income	(15,933)	(2,866)	-455.9%

Customer Base

(Figures in nos, except ratios)

Particulars	Unit	Jun 2020	Mar-20	Q-o-Q Growth	Jun 2019	Y-o-Y Growth
India	000's	305,689	309,754	-1.3%	301,451	1.4%
South Asia	000's	2,847	2,929	-2.8%	2,573	10.6%
Africa	000's	111,461	110,604	0.8%	99,670	11.8%
Total	**000's**	**419,996**	**423,287**	**-0.8%**	**403,695**	**4.0%**

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 nearly 420 million customers across its operations at the end of June 2020. 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.]

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.