

# Vodafone Idea

Estimate changes

TP change

Rating change



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|                       |             |
|-----------------------|-------------|
| Bloomberg             | IDEA IN     |
| Equity Shares (m)     | 69700       |
| M.Cap.(INRb)/(USD\$)  | 511.6 / 6.1 |
| 52-Week Range (INR)   | 19 / 7      |
| 1, 6, 12 Rel. Per (%) | -13/-51/-68 |
| 12M Avg Val (INR M)   | 10514       |

## Financials & Valuations (INR b)

| INR b             | FY24  | FY25E | FY26E |
|-------------------|-------|-------|-------|
| Net Sales         | 427   | 443   | 481   |
| EBITDA            | 171   | 185   | 206   |
| Adj. PAT          | -320  | -279  | -260  |
| EBITDA Margin (%) | 40.2  | 41.8  | 42.7  |
| Adj. EPS (INR)    | -11.1 | -9.7  | -9.1  |
| EPS Gr. (%)       | 9.3   | -12.7 | -6.8  |
| BV/Sh. (INR)      | -32.4 | -34.0 | -38.4 |

## Ratios

|            |      |      |      |
|------------|------|------|------|
| Net D:E    | -2.4 | -2.1 | -2.0 |
| RoE (%)    | NM   | NM   | NM   |
| RoCE (%)   | -3.6 | -2.0 | -0.5 |
| Payout (%) | 0.0  | 0.0  | 0.0  |

## Valuations

|                |      |      |      |
|----------------|------|------|------|
| EV/EBITDA (x)  | 16.8 | 14.5 | 13.7 |
| P/E (x)        | -0.7 | -0.8 | -0.8 |
| P/B (x)        | -0.2 | -0.2 | -0.2 |
| Div. Yield (%) | 0.0  | 0.0  | 0.0  |

## Shareholding Pattern (%)

| As On    | Sep-24 | Jun-24 | Sep-23 |
|----------|--------|--------|--------|
| Promoter | 37.3   | 38.2   | 50.4   |
| DII      | 28.0   | 31.3   | 35.0   |
| FII      | 12.7   | 12.7   | 2.5    |
| Others   | 22.0   | 17.9   | 12.2   |

FII includes depository receipts

**CMP: INR7**

**TP: INR8 (+9%)**

**Neutral**

## Inline 2Q; subscriber base stabilization remains key

- Vodafone Idea (Vi) reported a broadly in-line set with revenue/EBITDA growing 4%/8% QoQ, driven by the partial benefit of tariff hike flow-through and a part offset by a continued decline in the subscriber base.
- Vi's net debt increased ~INR92b on repayment of vendor/banking dues and spectrum purchases, while capex inched up to INR14b (from INR8b QoQ). Management has guided for a capex of INR80b in 2H.
- Vi continued to lose market share to peers in 2Q with losses in data subs and weaker customer engagement metrics. Bharti was the biggest gainer in 2Q, gaining ~90bp QoQ market share on RMS and ~40bp QoQ on SMS.
- Vi's network investments are contingent on debt raise, which in turn is dependent on securing bank guarantee waivers and continued support from GoI (INR440b+ annual repayments to GoI from 1HFY26).
- We believe gaining back subscribers would be a tall ask for Vi, given its peers' superior free cash generation and deeper pockets.
- Our earnings estimates are broadly unchanged as the lower subscriber base is offset by higher ARPU. Stabilization of Vi's subscriber base remains the key monitorable. We retain our Neutral rating on Vi with a revised TP of INR8, based on DCF implied ~14x Dec'26 EV/EBITDA.

## Broadly in line; subscriber trend post-network rollout a key monitorable

- Vi's overall revenue at INR109b (+4% QoQ, +2% YoY) was largely in line as the tariff hike boost was partly offset by continued subscriber declines.
- Wireless ARPU was up 7% QoQ to INR156 (+10% YoY, vs. +7%/+10% QoQ for RJio and Bharti) and was in line.
- Vi's overall subscriber base at ~205m declined by further 5.1m QoQ (vs. 2.5m decline in 1QFY25, and higher than our estimate of -4m).
- Reported EBITDA at INR45.b (+8% QoQ/+6% YoY, vs. +8%/+13% QoQ for RJio and Bharti-India wireless) was ~3% above, led by lower network opex (-2% QoQ, ~6% below) and lower SG&A costs (-1% QoQ, 7% below).
- Reported EBITDA margin inched up ~160bp QoQ to 41.6% (+165bp YoY, +50/+145bp QoQ for RJio and Bharti-India wireless).
- Pre Ind-AS 116 EBITDA at INR23.2b, improved ~11% QoQ (+13% YoY), and was ~1% ahead. Pre Ind-AS 116 EBITDA margin expanded ~125bp QoQ to 21.2% (+200bp YoY and was ~40bp higher vs. our estimate).
- Vi's reported losses stood at INR72b (from INR64b QoQ, and our estimate of INR70b), largely driven by higher net finance costs (3% above, +20% QoQ) and higher D&A (+1% QoQ, 2% above).
- Vi's reported net debt (excluding leases but including interest accrued and not due) increased INR93b QoQ to INR2.12t on dues repayment to vendors/banks and also spectrum acquisition.
- Vi owes ~INR2.23t to GoI for deferred spectrum (~INR1.52t) and AGR dues (INR703b). Bank debt declined to modest ~INR33b (vs. INR46b QoQ, INR79b YoY).
- Vi's capex increased to INR14b (from INR7.6b in 1Q). Management has guided for INR80b capex for 2HFY25.

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**Investors are advised to refer through important disclosures made at the last page of the Research Report.**

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**Highlights from the management commentary**

- **Tariff hike flow through:** Blended tariff hike was ~16-17%; however, segments such as Enterprise and M2M saw no increase in tariffs. Management indicated that some impact has been observed from customers sticking with earlier price points and not upgrading their recharge plans to earlier data consumption levels, which could impact the flow-through of tariff hikes by 2-3%.
- **Network rollout:** Vi rolled out 42k 4G sites during 2Q, which led to an increase in 4G population coverage by 22m to 1.05b by Sep'24. Management expects to reach 4G population coverage of 1.1b by Mar'25 and 1.2b by Sep'25. Further, it aims to start rolling out 5G services from 4QFY25.
- **Debt raise:** Management reiterated that the AGR waiver was not part of the business plan submitted to the lenders. However, post the AGR verdict, lenders are in the wait-and-watch mode. Further, Vi's debt raise has also been delayed as lenders are seeking more clarity on the Bank Guarantee (BG) waivers. Vi remains engaged with GoI for the waiver of ~INR250b BGs pertaining to spectrum auctions before the Sep'21 reforms package.
- **AGR:** As per Vi's management, the curative petition was rejected on technical grounds rather than the merits of the case. Further, Vi is engaged with GoI for support and highlighted that GoI remains supportive of three strong private players in the Indian telecom industry.

**Valuation and view**

- Vi continues to lose market share to peers on account of lower ARPU translation, given its inferior subscriber mix and continued subscriber declines.
- Vi plans to embark on a significant capex cycle (INR500-550b over the next 2-3 years) to bridge the network gap with peers.
- However, we believe Vi's network investments are contingent on debt raise, which in turn is dependent on securing bank guarantee waivers and continued support from GoI (INR440b+ annual repayments to GoI from 1HFY26).
- Further, we believe gaining back subscribers would be a tall ask for Vi, given its peers' superior free cash generation and deeper pockets.
- Our earnings estimates are broadly unchanged as the lower subscriber base is offset by higher ARPU. Stabilization of Vi's subscriber base remains the key monitorable.
- We **retain our Neutral rating on Vi with a revised TP of INR8**, based on DCF implied ~14x Dec'26 EV/EBITDA.

**Consolidated - Quarterly Earnings Model**

| Y/E March                    | FY24       |            |            |            | FY25E      |            |            |            | (INR b)     |             |            |             |
|------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|-------------|------------|-------------|
|                              | 1Q         | 2Q         | 3Q         | 4Q         | 1Q         | 2QE        | 3QE        | 4QE        | FY24        | FY25E       | FY25E      | Est Var (%) |
| <b>Revenue</b>               | <b>107</b> | <b>107</b> | <b>107</b> | <b>106</b> | <b>105</b> | <b>109</b> | <b>115</b> | <b>114</b> | <b>427</b>  | <b>443</b>  | <b>110</b> | <b>-0.6</b> |
| YoY Change (%)               | 2.4        | 1.0        | 0.5        | 0.7        | -1.4       | 2.0        | 7.3        | 7.6        | 1.1         | 3.9         | -73.8      |             |
| Total Expenditure            | 65         | 64         | 63         | 63         | 63         | 64         | 66         | 65         | 255         | 258         | 66         | -2.8        |
| <b>EBITDA</b>                | <b>42</b>  | <b>43</b>  | <b>44</b>  | <b>43</b>  | <b>42</b>  | <b>45</b>  | <b>49</b>  | <b>49</b>  | <b>171</b>  | <b>185</b>  | <b>44</b>  | <b>2.7</b>  |
| YoY Change (%)               | -4.0       | 4.5        | 4.1        | 3.0        | 1.1        | 6.2        | 12.7       | 12.6       | 1.8         | 8.3         | -73.8      |             |
| Depreciation                 | 56         | 57         | 56         | 58         | 54         | 54         | 54         | 54         | 226         | 215         | 53         | 1.6         |
| Net Finance Costs            | 64         | 65         | 65         | 62         | 53         | 63         | 63         | 62         | 257         | 240         | 61         | 3.3         |
| <b>PBT before EO expense</b> | <b>-78</b> | <b>-79</b> | <b>-77</b> | <b>-77</b> | <b>-64</b> | <b>-72</b> | <b>-67</b> | <b>-67</b> | <b>-312</b> | <b>-270</b> | <b>-70</b> | <b>-2.4</b> |
| Extra-Ord expense            | 0          | 0          | -8         | 0          | 0          | 0          | 0          | 0          | -8          | 0           | 0          |             |
| <b>PBT</b>                   | <b>-78</b> | <b>-79</b> | <b>-70</b> | <b>-77</b> | <b>-64</b> | <b>-72</b> | <b>-67</b> | <b>-67</b> | <b>-304</b> | <b>-270</b> | <b>-70</b> | <b>-2.4</b> |
| Tax                          | 0.0        | 8.2        | 0.0        | 0.1        | 0.1        | 0.1        | 0.0        | 0.0        | 8.3         | 0.1         | 0.0        |             |
| Rate (%)                     | 0.0        | -10.3      | 0.0        | -0.1       | -0.1       | -0.1       | 0.0        | 0.0        | -2.7        | 0.0         | 0.0        |             |
| <b>Reported PAT</b>          | <b>-78</b> | <b>-87</b> | <b>-70</b> | <b>-77</b> | <b>-64</b> | <b>-72</b> | <b>-67</b> | <b>-67</b> | <b>-312</b> | <b>-270</b> | <b>-70</b> | <b>-2.5</b> |
| <b>Adj PAT</b>               | <b>-78</b> | <b>-87</b> | <b>-77</b> | <b>-77</b> | <b>-64</b> | <b>-72</b> | <b>-67</b> | <b>-67</b> | <b>-320</b> | <b>-270</b> | <b>-70</b> | <b>-2.5</b> |
| YoY Change (%)               | 7.4        | 15.0       | -3.1       | 20.0       | -18.0      | -17.9      | -13.1      | -12.9      | 9.3         | -15.6       | -2.5       |             |

E: MOFSL Estimates

**Exhibit 1: Valuation based on Dec'26E EV/EBITDA**

|                    | Methodology | Driver | Multiple         | Fair Value (INRb) | Value/sh (INR) |
|--------------------|-------------|--------|------------------|-------------------|----------------|
| Consol EBITDA      | EV/EBITDA   | 232    | 13.7 (DCF based) | 3,181             | 46             |
| Less Net debt      |             |        |                  | 2,623             | 38             |
| <b>Total Value</b> |             |        |                  | <b>558</b>        | <b>8</b>       |
| Shares o/s (b)     |             |        |                  | 69.6              |                |
| CMP (INR)          |             |        |                  |                   | 7.4            |
| <b>Upside (%)</b>  |             |        |                  |                   | <b>9</b>       |

Source: MOFSL, Company

**Exhibit 2: Summary of our estimate revisions**

|                          | FY25E | FY26E  | FY27E |
|--------------------------|-------|--------|-------|
| <b>Revenue (INRb)</b>    |       |        |       |
| Old                      | 446   | 489    |       |
| Actual/New               | 443   | 481    | 536   |
| Change (%)               | -0.6  | -1.6   |       |
| <b>EBITDA (INRb)</b>     |       |        |       |
| Old                      | 185   | 213    |       |
| Actual/New               | 185   | 206    | 241   |
| Change (%)               | 0.0   | -3.6   |       |
| <b>EBITDA margin (%)</b> |       |        |       |
| Old                      | 41.6  | 43.6   |       |
| Actual/New               | 41.8  | 42.7   | 45.0  |
| Change (bp)              | 24bps | -89bps |       |
| <b>Net Profit (INRb)</b> |       |        |       |
| Old                      | -274  | -266   |       |
| Actual/New               | -270  | -260   | -235  |
| Change (%)               | 1.3   | 2.2    |       |
| <b>Adj. EPS (INR)</b>    |       |        |       |
| Old                      | -3.9  | -3.3   |       |
| Actual/New               | -3.9  | -3.2   | -2.4  |
| Change (%)               | 1.3   | 3.4    |       |

Source: Company, MOFSL

**Detailed takeaways from the earnings call****Key takeaways:**

- **Tariff hike flow through:** Blended tariff hike was ~16-17%; however, segments such as Enterprise and M2M saw no increase in tariffs. Management indicated that there has been some impact from customers sticking with earlier price points and not upgrading their recharge plan to earlier data consumption levels, which could impact the flow-through of tariff hikes.
- **Network rollout:** Vi rolled out 42k 4G sites during 2Q, which led to an increase in 4G population coverage by 22m to 1.05b by Sep'24. Management expects to reach 4G population coverage of 1.1b by Mar'25 and 1.2b by Sep'25. Further, it aims to start rolling out 5G services from 4QFY25.
- **Subscriber churn:** Management noted that there is always an industry-wide churn post tariff hikes. Further, the impact was higher this time as few subscribers shifted to BSNL, which recently launched 4G and had not implemented any tariff hike. However, management indicated that the subscriber trends have started normalizing in the past few months.
- **AGR:** As per Vi's management, the curative petition was rejected on technical grounds rather than the merits of the case. Further, Vi is engaged with Gol for

support and highlighted that Gol remains supportive of three strong private players in the Indian telecom industry.

- **Debt raise:** Management reiterated that the AGR waiver was not part of the business plan submitted to the lenders. However, post the AGR verdict, lenders are in wait-and-watch mode. Further, Vi's debt raise has also been delayed as lenders are seeking more clarity on the Bank Guarantee (BG) waivers. Vi remains engaged with Gol for the waiver of ~INR250b BGs pertaining to spectrum auctions before the Sep'21 reforms package.
- **Converged offering:** Vi has launched a converged offering (Mobility + Broadband + OTT) in three circles (Maharashtra, Mumbai, and Gujarat) and has recently tied up with Asianet to offer a converged offering in Kerala.

### 2Q review: Broadly in line; subscriber trend post-network rollout a key monitorable

- Vi's overall revenue at INR109b (+4% QoQ, +2% YoY) was largely in line with our estimate, as tariff hike benefits were partly offset by a continued decline in the subscriber base.
- Reported EBITDA at INR45.b (+8% QoQ/+6% YoY, vs. +8%/+13% QoQ for RJio and Bharti-India wireless) was ~3% above our estimate, led by a lower network opex (-2% QoQ, ~6% below) and lower SG&A costs (-1% QoQ, 7% below).
- Reported EBITDA margin inched up ~160bp QoQ to 41.6% (+165bp YoY, +50/+145bp QoQ for RJio and Bharti-India wireless) and was ~130bp above our estimate.
- Pre Ind-AS 116 EBITDA at INR23.2b, improved ~11% QoQ (+13% YoY) and was ~1% ahead of our estimate. Pre Ind-AS 116 EBITDA margin expanded ~125bp QoQ to 21.2% (+200bp YoY and was ~40bp higher vs. our estimate).
- Vi's reported losses stood at INR72b (from INR64b QoQ and our estimate of INR70b), largely driven by higher net finance costs (3% above, +20% QoQ as 1Q benefitted from interest reversal on variable license fees and vendor dues) and higher D&A (+1% QoQ, 2% above).
- Vi's reported net debt (excluding leases but including interest accrued and not due) increased INR93b QoQ to INR2.12t on dues repayment to vendors/banks and also spectrum acquisition. Vi owes ~INR2.23t to Gol for deferred spectrum (~INR1.52t) and AGR dues (INR703b). Bank debt declined to modest ~INR33b (vs. INR46b QoQ, INR79b YoY).
- Vi's capex increased to INR14b (from INR7.6b in 1Q). Management has guided for INR80b capex for 2HFY25.
- Vi has written to the DoT to waive off the BG requirement worth ~INR247b (to be submitted from Sep'24 to Feb'25) to securitize spectrum installments. We believe Vi's debt raise is also contingent on securing BG waivers.

### Tariff hike boost partly offset by a continued decline in subscriber base

- Wireless ARPU rose 7% QoQ to INR156 (+10% YoY, vs. +7%/+10% QoQ for RJio and Bharti) and was in line with our estimate on account of partial benefits of tariff hikes.
- Vi indicated that customer ARPU (excluding M2M) was up ~8% QoQ to INR166 (vs. INR233 for Bharti).
- Vi's overall subscriber base at ~205m declined by a further 5.1m QoQ (vs. 2.5m decline in 1QFY25, and higher than our expectation of 4m QoQ decline) due to an elevated churn post the tariff hikes.

- Similar to peers, Vi's monthly churn also increased QoQ to 4.5% (vs. 4% QoQ, an increase of 110bp QoQ to 2.8% for RJio and 40bp QoQ to 3.2% for Bharti) and remains a key monitorable.
- Vi's postpaid subscriber base (including M2M) further improved QoQ (rising by ~0.4m QoQ) to 24.5m, while the 4G/5G subscriber base declined 0.8m QoQ (and data subs declined ~2m QoQ).
- Wireless revenue at INR97.1b (+3% YoY, in line) was up 5% sequentially (vs. 7%/10% QoQ increase for RJio/Bharti) as tariff hike benefits were partly offset by continued subscriber declines.

#### **Other highlights: Consumer engagement remains well below peers**

- Enterprise revenue at INR12b (-2% QoQ, -9% YoY) was ~3% below our estimate.
- Vi's data volume declined ~2% QoQ (vs. +1% QoQ in 1QFY25, significantly weaker vs. +2-3% QoQ for Bharti and RJio, including FTTH).
- Data usage per data subscriber declined to 14.7GB/month (from 14.9GB QoQ) and remained significantly below peers [RJio (31GB including FTTH contribution), Bharti 23.9GB].
- Voice usage on the Vi network declined ~5% QoQ (vs. -4% QoQ in 1QFY25, weaker than flat QoQ for Bharti and RJio).
- Implied minutes of usage per subscriber declined further to 587min/month (vs. 607min QoQ), but remained significantly below 1133mins/ 977mins for Bharti/RJio.
- Vi's trade payables declined further by ~INR7b QoQ to INR123b (vs. INR131b QoQ and INR138b at FY24-end). This primarily comprises dues to tower and network vendors such as Indus Towers.

#### **Progress on network rollout**

- Vi added ~1k towers and 22k net broadband sites in 2Q (42k 4G sites added, ~20k 3G sites shut down).
- As a result, its 4G population coverage increased ~22m to reach 1.05b by Sep'24.
- Management indicated that 4G population coverage would be further ramped up to 1.1b by Mar'25 and 1.2b by Sep'25
- Vi is likely to start the 5G rollout in 4QFY25.

#### **Bharti was once again the biggest gainer**

- On our estimates, Bharti continued to be the biggest gainer in the Revenue Market Share (RMS) in 2QFY25, gaining 89bp QoQ (+174bp YoY) as RJio lost 44bp QoQ (-14 bp YoY) and Vi lost a further 46bp QoQ (and -160bp YoY) market share among three private telcos.
- Further, with the clean-up of the inactive subscriber base for RJio, Bharti gained 41bp QoQ (+61bp YoY) in Subscriber Market Share (SMS) while RJio lost 32bp QoQ (still up ~100bp YoY). Vi lost a further 9bp QoQ (and -164bp YoY).



**Exhibit 3: Vi's 2Q results summary**

| Vi (INR m)                        | 2QFY24          | 1QFY25          | 2QFY25          | YoY         | QoQ           | 2QFY25E         | vs. est      |
|-----------------------------------|-----------------|-----------------|-----------------|-------------|---------------|-----------------|--------------|
| <b>Revenue</b>                    | <b>1,07,163</b> | <b>1,05,083</b> | <b>1,09,322</b> | <b>2.0</b>  | <b>4.0</b>    | <b>1,09,975</b> | <b>(0.6)</b> |
| Interconnection costs             | (10,644)        | (10,852)        | (11,353)        | 6.7         | 4.6           | (10,952)        | 3.7          |
| License fee and spectrum charges  | (9,269)         | (8,924)         | (9,312)         | 0.5         | 4.3           | (9,293)         | 0.2          |
| Network operating costs           | (25,065)        | (23,935)        | (23,566)        | (6.0)       | (1.5)         | (24,983)        | (5.7)        |
| Employee costs                    | (5,348)         | (5,467)         | (5,854)         | 9.5         | 7.1           | (5,722)         | 2.3          |
| SG&A expenses                     | (14,009)        | (13,858)        | (13,739)        | (1.9)       | (0.9)         | (14,709)        | (6.6)        |
| Total costs                       | (64,335)        | (63,036)        | (63,824)        | (0.8)       | 1.3           | (65,660)        | (2.8)        |
| <b>EBITDA</b>                     | <b>42,828</b>   | <b>42,047</b>   | <b>45,498</b>   | <b>6.2</b>  | <b>8.2</b>    | <b>44,315</b>   | <b>2.7</b>   |
| EBITDA margin (%)                 | 40.0            | 40.0            | 41.6            | 165         | 161           | 40.3            | 132          |
| <b>Ind-AS adjusted EBITDA</b>     | <b>20,628</b>   | <b>21,000</b>   | <b>23,200</b>   | <b>12.5</b> | <b>10.5</b>   | <b>22,915</b>   | <b>1.2</b>   |
| Ind-AS adjusted EBITDA margin (%) | 19.2            | 20.0            | 21.2            | 197         | 124           | 20.8            | 39           |
| D&A                               | (56,673)        | (53,691)        | (54,040)        | (4.6)       | 0.7           | (53,200)        | 1.6          |
| <b>EBIT</b>                       | <b>(13,845)</b> | <b>(11,644)</b> | <b>(8,542)</b>  | <b>38.3</b> | <b>26.6</b>   | <b>(8,885)</b>  | <b>3.9</b>   |
| Net interest income/(expense)     | (65,345)        | (52,623)        | (63,136)        | (3.4)       | 20.0          | (61,094)        | 3.3          |
| PBT                               | (79,190)        | (64,267)        | (71,678)        | 9.5         | (11.5)        | (69,979)        | (2.4)        |
| Taxes                             | (8,177)         | (55)            | (78)            |             |               | —               |              |
| MI and share of associates        | (12)            | 1               | (3)             |             |               | —               |              |
| <b>PAT</b>                        | <b>(87,379)</b> | <b>(64,321)</b> | <b>(71,759)</b> | <b>17.9</b> | <b>(11.6)</b> | <b>(69,979)</b> | <b>(2.5)</b> |
| <b>Key performance indicators</b> |                 |                 |                 |             |               |                 |              |
| Subscriber base (EoP) (m)         | 219.8           | 210.1           | 205.0           | (6.7)       | (2.4)         | 206.1           | (0.5)        |
| Net adds/(declines) (m)           | (1.6)           | (2.5)           | (5.1)           |             |               | (4.0)           |              |
| Data subscribers(EoP) (m)         | 137.2           | 136.9           | 134.9           | (1.7)       | (1.5)         | 137.0           | (1.5)        |
| <b>Reported ARPU (INR/month)</b>  | <b>142</b>      | <b>146</b>      | <b>156</b>      | <b>9.9</b>  | <b>6.8</b>    | <b>156</b>      | <b>(0.0)</b> |
| Total minutes of use (b)          | 406             | 385             | 365             | (10.1)      | (5.2)         | 381             | (4.2)        |
| Average MoU (min/month)           | 613             | 607             | 587             | (4.2)       | (3.3)         | 611             | (3.9)        |
| Data volume (Petabyte)            | 6,119           | 6,111           | 5,992           | (2.1)       | (1.9)         | 6,172           | (2.9)        |
| Implied data usage (GB/month)     | 14.9            | 14.9            | 14.7            | (1.6)       | (1.1)         | 15.0            | (2.2)        |
| <b>Wireless revenue</b>           | <b>93,976</b>   | <b>92,571</b>   | <b>97,133</b>   | <b>3.4</b>  | <b>4.9</b>    | <b>97,404</b>   | <b>(0.3)</b> |
| Enterprise revenue                | 13,170          | 12,298          | 12,048          | (8.5)       | (2.0)         | 12,421          | (3.0)        |
| Other operating revenue           | 17              | 214             | 141             | 729.4       | (34.1)        | 150             | (6.0)        |

Source: Company, MOFSL estimates

**Exhibit 4: Vi: Key performance indicator metrics**

|  | 2QFY23   | 3QFY23   | 4QFY23   | 1QFY24   | 2QFY24   | 3QFY24   | 4QFY24   | 1QFY25   | 2QFY25   |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Subscriber base (EoP) (m)                            | 234.4    | 228.6    | 225.9    | 221.4    | 219.8    | 215.2    | 212.6    | 210.1    | 205.0    |
| VLR subscribers (EoP) (m)                            | 212.2    | 209.6    | 207.9    | 202.7    | 199.8    | 196.7    | 193.3    | 188.3    | 179.5    |
| Net VLR subscriber addition (m)                      | (6.5)    | (2.6)    | (1.7)    | (5.1)    | (3.0)    | (3.1)    | (3.4)    | (5.0)    | (7.3)    |
| Pre-paid subscribers (% of EoP subscribers)          | 91.1     | 90.4     | 90.1     | 89.7     | 89.5     | 89.0     | 88.8     | 88.5     | 88.0     |
| Blended ARPU (INR/month)                             | 131.0    | 135.0    | 135.0    | 139.0    | 142.0    | 145.0    | 146.0    | 146.0    | 156.0    |
| Average MoU (min)                                    | 601      | 611      | 623      | 626      | 613      | 615      | 626      | 607      | 586      |
| Blended churn (%)                                    | 4.3      | 4.4      | 3.8      | 3.9      | 4.1      | 4.3      | 3.9      | 4.0      | 4.5      |
| 2G Coverage - No. of census towns (#)                | 7,986    | 7,986    | 7,986    | 7,986    | 7,986    | 7,986    | 7,986    | 7,986    | 7,986    |
| 2G Coverage - No. of villages (#)                    | 4,79,187 | 4,79,187 | 4,79,187 | 4,79,187 | 4,79,187 | 4,79,187 | 4,79,187 | 4,79,187 | 4,79,187 |
| Broadband coverage - No. of census towns (#)         | 7,580    | 7,580    | 7,580    | 7,580    | 7,580    | 7,580    | 7,580    | 7,580    | 7,580    |
| Broadband coverage - No. of villages (#)             | 3,31,585 | 3,32,157 | 3,33,481 | 3,33,735 | 3,34,066 | 3,34,634 | 3,35,280 | 3,38,104 | 3,49,290 |
| Total unique towers (EoP) (#)                        | 1,84,756 | 1,84,403 | 1,84,382 | 1,83,638 | 1,83,565 | 1,83,358 | 1,83,758 | 1,83,323 | 1,84,245 |
| Total unique broadband towers (EoP) (#)              | 1,69,771 | 1,69,805 | 1,70,359 | 1,70,411 | 1,70,423 | 1,70,351 | 1,70,530 | 1,70,813 | 1,72,103 |
| Total broadband sites (3G+4G) (#)                    | 4,44,228 | 4,43,450 | 4,43,537 | 4,42,062 | 4,40,467 | 4,38,901 | 4,30,705 | 4,17,245 | 4,39,599 |
| Total minutes of Use (m)                             | 4,28,000 | 4,24,000 | 4,25,000 | 4,20,000 | 4,06,000 | 4,01,000 | 4,02,000 | 3,85,000 | 3,65,000 |
| Total data volume (2G+3G+4G) (b MB)                  | 5,718    | 5,762    | 5,802    | 6,002    | 6,119    | 6,004    | 6,049    | 6,111    | 5,992    |
| Total data subscribers (2G+3G+4G) (m)                | 135.2    | 135.3    | 136.2    | 135.9    | 137.2    | 137.4    | 137.3    | 136.9    | 134.9    |
| Data usage by data subscribers (2G+3G+4G) (MB/month) | 14,072   | 14,201   | 14,247   | 14,705   | 14,937   | 14,576   | 14,680   | 14,858   | 14,697   |

**Exhibit 5: Vi's net debt inched up ~INR92b QoQ while capex increased modestly**

|  | Sep-19       | Mar-20       | Sep-20       | Mar-21       | Sep-21       | Mar-22       | Sep-22       | Mar-23       | Sep-23       | Mar-24       | Jun-24       | Sep-24       |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Debt and capex trends (INR b)</b>                 |              |              |              |              |              |              |              |              |              |              |              |              |
| <b>Gross debt</b>                                    | <b>1,173</b> | <b>1,150</b> | <b>1,159</b> | <b>1,803</b> | <b>1,948</b> | <b>1,979</b> | <b>2,203</b> | <b>2,093</b> | <b>2,128</b> | <b>2,156</b> | <b>2,210</b> | <b>2,257</b> |
| External debt  | 281          | 273          | 236          | 231          | 228          | 181          | 151          | 114          | 79           | 40           | 46           | 33           |
| OCD issuance to ATC                                  |              |              |              |              |              |              |              | 16           | 16           | 2            | 2            | -            |
| <b>GoI debt</b>                                      | <b>892</b>   | <b>876</b>   | <b>923</b>   | <b>1,572</b> | <b>1,720</b> | <b>1,798</b> | <b>2,052</b> | <b>1,963</b> | <b>2,033</b> | <b>2,114</b> | <b>2,162</b> | <b>2,225</b> |
| Deferred spectrum liabilities                        | 892          | 876          | 923          | 963          | 1,086        | 1,139        | 1,367        | 1,307        | 1,351        | 1,411        | 1,458        | 1,522        |
| AGR dues   | -            | -            | -            | 610          | 634          | 660          | 686          | 656          | 682          | 703          | 703          | 703          |
| Cash and equivalents                                 | 153.9        | 24.8         | 14.3         | 3.5          | 2.5          | 14.6         | 1.9          | 2.3          | 1.2          | 1.7          | 181.5        | 136.2        |
| <b>Net debt</b>                                      | <b>1,019</b> | <b>1,125</b> | <b>1,145</b> | <b>1,800</b> | <b>1,945</b> | <b>1,964</b> | <b>2,201</b> | <b>2,090</b> | <b>2,127</b> | <b>2,155</b> | <b>2,028</b> | <b>2,121</b> |
| Net debt (ex-leases) to annualized pre Ind-AS EBITDA | 24           | 16           | 18           | 26           | 34           | 25           | 26           | 25           | 26           | 25           | 24           | 23           |
| <b>Capex</b>   | <b>21.4</b>  | <b>18.2</b>  | <b>10.4</b>  | <b>15.4</b>  | <b>13.0</b>  | <b>12.1</b>  | <b>12.1</b>  | <b>5.6</b>   | <b>5.2</b>   | <b>5.5</b>   | <b>7.6</b>   | <b>13.6</b>  |
| as % of revenue                                      | 19.7         | 15.5         | 9.6          | 16.1         | 13.8         | 11.8         | 11.4         | 5.3          | 4.9          | 5.2          | 7.2          | 12.4         |

**Exhibit 6: Vi's debt build-up as of 2QFY25**

|                                       |              |
|---------------------------------------|--------------|
| <b>Vi debt build-up (INR b)</b>       |              |
| External debt (a)                     | 33           |
| OCD issuance to ATC (b)               | 0            |
| <b>Government debt (c)</b>            | <b>2,225</b> |
| Deferred spectrum liabilities         | 1,522        |
| AGR dues                              | 703          |
| Gross debt (a) + (b) + (c)            | 2,257        |
| Cash and equivalents (d)              | 136          |
| <b>Net debt (a) + (b) + (c) - (d)</b> | <b>2,121</b> |

**Exhibit 7: Vi has large debt repayments from FY26 and beyond**

|                                   | FY25E     | FY26E      | FY27E      | FY28E      | FY29E      |
|-----------------------------------|-----------|------------|------------|------------|------------|
| <b>Vi debt repayments (INR b)</b> |           |            |            |            |            |
| External loans                    | 8         | 19         | 5          | —          | —          |
| NCDs / OCDs                       | 0         | —          | —          | —          | —          |
| Government dues                   | 2         | 312        | 446        | 446        | 446        |
| <b>Total debt repayment</b>       | <b>10</b> | <b>330</b> | <b>441</b> | <b>446</b> | <b>446</b> |

**Exhibit 8: Vi likely to face ~INR200b+ annual cash-shortfall over FY27-31E**

| (INR b)                                 | FY23        | FY24        | FY25E      | FY26E        | FY27E        | FY25-27E     | FY28-32E     |
|---|-------------|-------------|------------|--------------|--------------|--------------|--------------|
| Wireless subs (m)                       | 226         | 213         | 202        | 199          | 200          |              |              |
| Wireless ARPU (INR/month)               | 132         | 143         | 158        | 178          | 201          |              |              |
| <b>Cash inflows</b>                     | <b>83</b>   | <b>95</b>   | <b>293</b> | <b>425</b>   | <b>140</b>   | <b>858</b>   | <b>1,139</b> |
| Cash EBITDA                             | 83          | 84          | 97         | 111          | 140          | 347          | 1,139        |
| Other non-operational cashflows         | —           | 11          |            | 64           |              | 64           |              |
| Equity fund raise                       |             |             | 197        |              |              | 197          |              |
| Likely debt fund raise                  |             |             |            | 250          |              | 250          |              |
| <b>Cash outflows</b>                    | <b>117</b>  | <b>121</b>  | <b>208</b> | <b>421</b>   | <b>439</b>   | <b>1,068</b> | <b>1,956</b> |
| External dues repayments                | 67          | 74          | 19         | 19           | 5            | 43           | -            |
| Gol debt repayments                     | 17          | 19          | 22         | 312          | 446          | 779          | 2,049        |
| <b>Probable Gol equity conversion</b>   |             |             |            | <b>(122)</b> | <b>(174)</b> | <b>(296)</b> | <b>(786)</b> |
| Vendor past dues repayments             | (20)        | (2)         | 50         | 30           |              | 80           | —            |
| <b>Capex</b>                            | <b>34</b>   | <b>19</b>   | <b>97</b>  | <b>151</b>   | <b>133</b>   | <b>380</b>   | <b>550</b>   |
| Likely interest on external dues        | 20          | 11          | 21         | 31           | 29           | 81           | 144          |
| <b>Gross cash surplus / (shortfall)</b> | <b>(34)</b> | <b>(25)</b> | <b>85</b>  | <b>4</b>     | <b>(299)</b> | <b>(210)</b> | <b>(817)</b> |
| Change in cash and equivalents          | (12)        | (1)         |            |              |              |              |              |
| <b>Net cash surplus / (shortfall)</b>   | <b>(22)</b> | <b>(25)</b> | <b>85</b>  | <b>4</b>     | <b>(299)</b> | <b>(210)</b> | <b>(817)</b> |

**Exhibit 9: Key assumptions for Vi's wireless business**

|  | FY20       | FY21       | FY22       | FY23       | FY24       | FY25E      | FY26E      | FY27E      |
|--|------------|------------|------------|------------|------------|------------|------------|------------|
| <b>Key assumptions</b>                               |            |            |            |            |            |            |            |            |
| <b>Paying subscriber base (EoP) (m)</b>              | <b>291</b> | <b>268</b> | <b>244</b> | <b>226</b> | <b>213</b> | <b>202</b> | <b>199</b> | <b>200</b> |
| Paying net adds (m)                                  | (43.0)     | (23.3)     | (24.0)     | (17.9)     | (13.3)     | (10.6)     | (3.0)      | 1.0        |
| VLR subscribers (EoP) (m)                            | 293.7      | 255.7      | 226.1      | 207.9      | 193.3      | 176.8      | 172.6      | 171.7      |
| Net VLR subscriber addition (m)                      | (74.6)     | (38.0)     | (29.6)     | (18.2)     | (14.6)     | (16.5)     | (4.2)      | (0.8)      |
| Pre-paid subscribers (% of EoP subscribers)          | 92.1       | 92.2       | 91.8       | 90.1       | 88.8       | 87.6       | 86.9       | 86.5       |
| <b>Total data subscribers (2G+3G+4G) (m)</b>         | <b>140</b> | <b>140</b> | <b>136</b> | <b>136</b> | <b>137</b> | <b>137</b> | <b>140</b> | <b>145</b> |
| 4G subscribers (m)                                   | 105.6      | 113.9      | 118.1      | 122.6      | 126.3      | 128.9      | 132.9      | 138.9      |
| <b>Blended ARPU (INR/month)</b>                      | <b>111</b> | <b>114</b> | <b>112</b> | <b>132</b> | <b>143</b> | <b>158</b> | <b>178</b> | <b>201</b> |
| Total data volume (2G+3G+4G) (b MB)                  | 14,594     | 18,208     | 21,493     | 22,707     | 24,174     | 24,358     | 25,759     | 27,645     |
| Data usage by data subscribers (2G+3G+4G) (MB/month) | 8,511      | 10,861     | 12,998     | 13,919     | 14,731     | 14,779     | 15,471     | 16,167     |
| Voice traffic (b min)                                | 2,547      | 2,210      | 1,901      | 1,727      | 1,629      | 1,487      | 1,519      | 1,573      |
| Average MoU (min/subscriber/month)                   | 679        | 659        | 619        | 613        | 619        | 598        | 632        | 657        |
| Total unique towers (EoP)                            | 1,85,544   | 1,80,484   | 1,84,794   | 1,84,382   | 1,83,758   | 1,91,245   | 2,07,245   | 2,17,245   |
| Total unique broadband towers (EoP)                  | 1,62,380   | 1,65,409   | 1,69,016   | 1,70,359   | 1,70,530   | 1,84,551   | 2,05,173   | 2,17,245   |
| Total broadband sites (3G+4G)                        | 4,36,006   | 4,52,650   | 4,55,264   | 4,43,537   | 4,43,537   | 4,30,705   | 4,85,370   | 5,39,604   |

**Exhibit 10: Sensitivity of Vi's consol EBITDA to wireless ARPU and end-period subscriber base**

|                       |     | FY26E Wireless ARPU (INR) |     |     |     |     |
|-----------------------|-----|---------------------------|-----|-----|-----|-----|
|                       |     | 158                       | 168 | 178 | 188 | 198 |
| FY26E Paying subs (m) | 179 | 162                       | 177 | 192 | 207 | 221 |
|                       | 189 | 168                       | 183 | 199 | 214 | 229 |
|                       | 199 | 174                       | 190 | 206 | 221 | 237 |
|                       | 209 | 180                       | 196 | 213 | 229 | 245 |
|                       | 219 | 187                       | 203 | 219 | 236 | 252 |

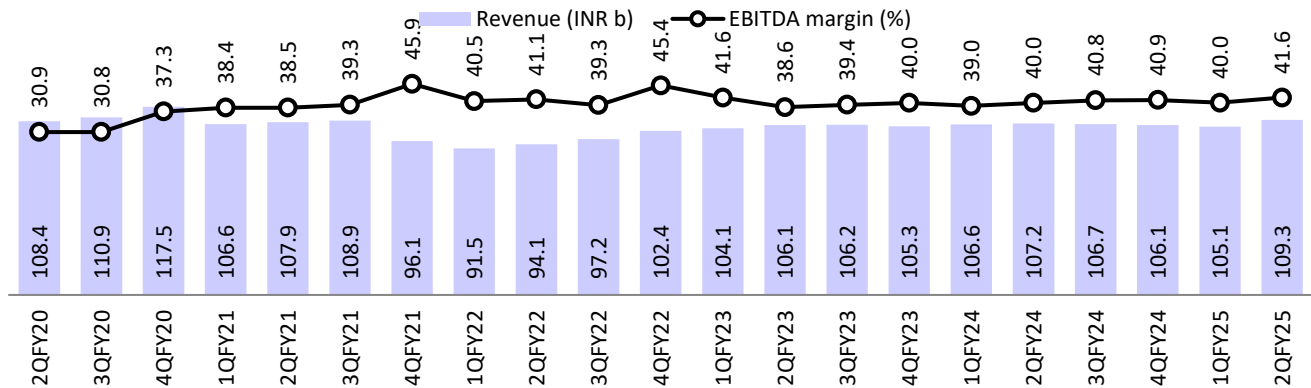
**Exhibit 11: Sensitivity of Vi's Ind-AS 116 adjusted EBITDA to ARPU and subscriber base**

|                       |     | FY26E Wireless ARPU (INR) |     |     |     |     |
|-----------------------|-----|---------------------------|-----|-----|-----|-----|
|                       |     | 158                       | 168 | 178 | 188 | 198 |
| FY26E Paying subs (m) | 179 | 67                        | 82  | 97  | 112 | 127 |
|                       | 189 | 73                        | 89  | 104 | 119 | 134 |
|                       | 199 | 79                        | 95  | 111 | 126 | 142 |
|                       | 209 | 86                        | 102 | 118 | 134 | 150 |
|                       | 219 | 92                        | 108 | 125 | 141 | 157 |



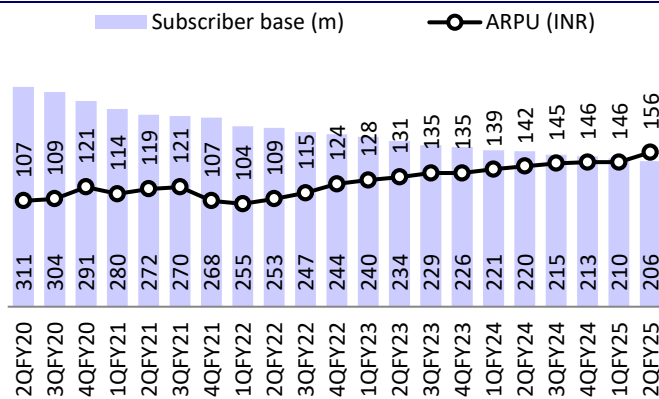
## Story in charts

**Exhibit 12: Revenue increased 4% QoQ as the partial benefit of tariff hike was partly offset by a continued subscriber decline**



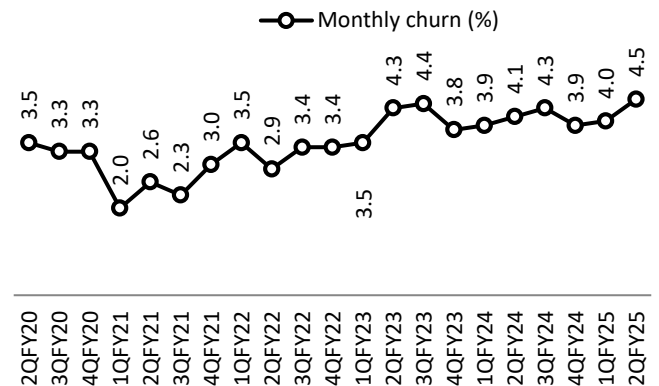
Source: MOFSL, Company

**Exhibit 13: ARPU rose on tariff-hike flow through; subscriber decline accelerated**



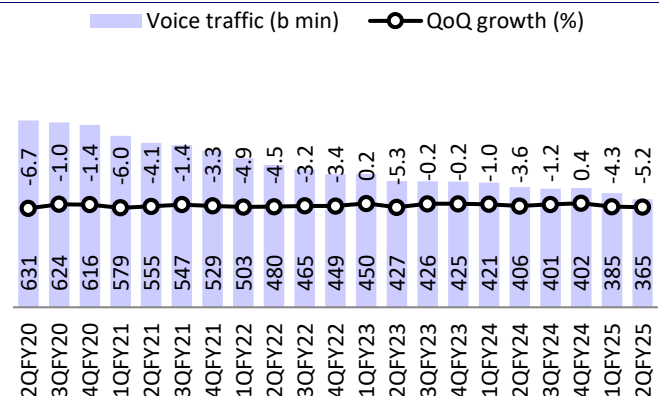
Source Company, MOFSL

**Exhibit 14: Monthly churn increased further to 4.5%**

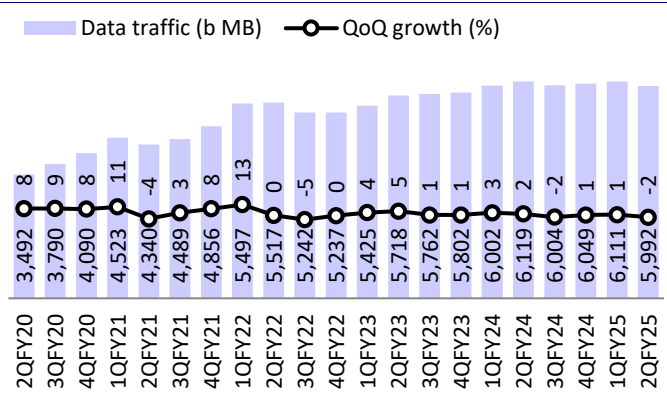


Source Company, MOFSL

**Exhibit 15: Voice traffic further declined QoQ**



**Exhibit 16: Data traffic also declined 2% QoQ**



Source: Company, MOFSL

## Financials and valuations

### Consolidated - Income Statement

(INR b)

| Y/E March                           | FY20        | FY21        | FY22        | FY23        | FY24        | FY25E       | FY26E       | FY27E       |
|-------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Total Income from Operations</b> | <b>450</b>  | <b>420</b>  | <b>385</b>  | <b>422</b>  | <b>427</b>  | <b>443</b>  | <b>481</b>  | <b>536</b>  |
| Change (%)                          | 21.2        | -6.7        | -8.2        | 9.5         | 1.1         | 3.9         | 8.5         | 11.4        |
| <b>Total Expenditure</b>            | <b>300</b>  | <b>250</b>  | <b>225</b>  | <b>254</b>  | <b>255</b>  | <b>258</b>  | <b>275</b>  | <b>295</b>  |
| % of Sales                          | 66.8        | 59.6        | 58.4        | 60.1        | 59.8        | 58.2        | 57.3        | 55.0        |
| <b>EBITDA</b>                       | <b>149</b>  | <b>169</b>  | <b>160</b>  | <b>168</b>  | <b>171</b>  | <b>185</b>  | <b>206</b>  | <b>241</b>  |
| Margin (%)                          | 33.2        | 40.4        | 41.6        | 39.9        | 40.2        | 41.8        | 42.7        | 45.0        |
| Depreciation                        | 244         | 236         | 236         | 230         | 226         | 215         | 213         | 216         |
| <b>EBIT</b>                         | <b>-94</b>  | <b>-67</b>  | <b>-75</b>  | <b>-62</b>  | <b>-55</b>  | <b>-30</b>  | <b>-8</b>   | <b>25</b>   |
| Int. and Finance Charges            | 144         | 178         | 209         | 230         | 257         | 240         | 253         | 259         |
| <b>PBT bef. EO Exp.</b>             | <b>-238</b> | <b>-245</b> | <b>-284</b> | <b>-293</b> | <b>-312</b> | <b>-270</b> | <b>-260</b> | <b>-235</b> |
| Share of profits of associates      | 4           | 2           | 0           | 0           | 0           | 0           | 0           | 0           |
| EO Items                            | 384         | 200         | -2          | 0           | -8          | 0           | 0           | 0           |
| <b>PBT after EO Exp.</b>            | <b>-618</b> | <b>-443</b> | <b>-282</b> | <b>-293</b> | <b>-304</b> | <b>-270</b> | <b>-260</b> | <b>-235</b> |
| Total Tax                           | 121         | 0           | 0           | 0           | 8           | 0           | 0           | 0           |
| Tax Rate (%)                        | -19.5       | 0.0         | 0.0         | 0.0         | -2.7        | 0.0         | 0.0         | 0.0         |
| Minority Interest                   | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           |
| <b>Reported PAT</b>                 | <b>-739</b> | <b>-442</b> | <b>-282</b> | <b>-293</b> | <b>-312</b> | <b>-270</b> | <b>-260</b> | <b>-235</b> |
| <b>Adjusted PAT</b>                 | <b>-217</b> | <b>-243</b> | <b>-284</b> | <b>-293</b> | <b>-320</b> | <b>-279</b> | <b>-260</b> | <b>-235</b> |
| Change (%)                          | 34.5        | 11.7        | 17.1        | 3.1         | 9.3         | -12.7       | -6.8        | -9.9        |
| Margin (%)                          | -48.3       | -57.8       | -73.8       | -69.4       | -75.0       | -63.0       | -54.2       | -43.8       |

### Consolidated - Balance Sheet

(INR b)

| Y/E March                           | FY20         | FY21         | FY22         | FY23         | FY24          | FY25E         | FY26E         | FY27E         |
|-------------------------------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|
| Equity Share Capital                | 287          | 287          | 321          | 487          | 501           | 696           | 819           | 993           |
| Total Reserves                      | -228         | -670         | -941         | -1,230       | -1,543        | -1,790        | -2,050        | -2,285        |
| <b>Net Worth</b>                    | <b>60</b>    | <b>-382</b>  | <b>-620</b>  | <b>-744</b>  | <b>-1,042</b> | <b>-1,093</b> | <b>-1,232</b> | <b>-1,292</b> |
| Total Loans                         | 1,106        | 1,660        | 2,138        | 2,444        | 2,511         | 2,596         | 2,489         | 2,505         |
| Deferred Tax Liabilities            | 0            | 0            | 0            | 0            | 0             | 0             | 0             | 0             |
| <b>Capital Employed</b>             | <b>1,166</b> | <b>1,277</b> | <b>1,518</b> | <b>1,701</b> | <b>1,469</b>  | <b>1,503</b>  | <b>1,257</b>  | <b>1,212</b>  |
| Gross Block                         | 2,471        | 2,524        | 2,653        | 2,878        | 2,943         | 3,039         | 3,190         | 3,323         |
| Less: Accum. Deprn.                 | 612          | 849          | 1,085        | 1,315        | 1,541         | 1,756         | 1,970         | 2,186         |
| <b>Net Fixed Assets</b>             | <b>1,858</b> | <b>1,675</b> | <b>1,568</b> | <b>1,563</b> | <b>1,401</b>  | <b>1,283</b>  | <b>1,220</b>  | <b>1,137</b>  |
| Goodwill on Consolidation           | 0            | 0            | 0            | 0            | 0             | 0             | 0             | 0             |
| Capital WIP                         | 11           | 6            | 4            | 179          | 182           | 182           | 182           | 182           |
| <b>Total Investments</b>            | <b>20</b>    | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      |
| <b>Curr. Assets, Loans&amp;Adv.</b> | <b>380</b>   | <b>354</b>   | <b>368</b>   | <b>331</b>   | <b>267</b>    | <b>553</b>    | <b>348</b>    | <b>380</b>    |
| Inventory                           | 0            | 0            | 0            | 0            | 0             | 0             | 0             | 0             |
| Account Receivables                 | 31           | 25           | 24           | 22           | 22            | 24            | 25            | 27            |
| Cash and Bank Balance               | 27           | 22           | 35           | 9            | 5             | 274           | 49            | 55            |
| Loans and Advances                  | 322          | 307          | 309          | 301          | 239           | 256           | 274           | 298           |
| <b>Curr. Liability &amp; Prov.</b>  | <b>1,103</b> | <b>757</b>   | <b>422</b>   | <b>372</b>   | <b>381</b>    | <b>516</b>    | <b>493</b>    | <b>487</b>    |
| Account Payables                    | 1,100        | 757          | 422          | 372          | 380           | 510           | 488           | 481           |
| Provisions                          | 4            | 1            | 1            | 0            | 0             | 6             | 6             | 6             |
| <b>Net Current Assets</b>           | <b>-724</b>  | <b>-404</b>  | <b>-54</b>   | <b>-41</b>   | <b>-114</b>   | <b>38</b>     | <b>-145</b>   | <b>-107</b>   |
| <b>Appl. of Funds</b>               | <b>1,166</b> | <b>1,277</b> | <b>1,518</b> | <b>1,701</b> | <b>1,469</b>  | <b>1,503</b>  | <b>1,257</b>  | <b>1,212</b>  |

## Financials and valuations

### Ratios

| Y/E March                     | FY20        | FY21        | FY22        | FY23         | FY24         | FY25E       | FY26EE      | FY27E       |
|-------------------------------|-------------|-------------|-------------|--------------|--------------|-------------|-------------|-------------|
| <b>Basic (INR)</b>            |             |             |             |              |              |             |             |             |
| <b>EPS</b>                    | <b>-7.6</b> | <b>-8.4</b> | <b>-9.9</b> | <b>-10.2</b> | <b>-11.1</b> | <b>-9.7</b> | <b>-9.1</b> | <b>-8.2</b> |
| Cash EPS                      | 0.9         | -0.2        | -1.7        | -2.2         | -3.3         | -2.2        | -1.6        | -0.6        |
| BV/Share                      | 2.1         | -13.3       | -19.3       | -23.2        | -32.4        | -34.0       | -38.4       | -40.2       |
| DPS                           | 0.0         | 0.0         | 0.0         | 0.0          | 0.0          | 0.0         | 0.0         | 0.0         |
| Payout (%)                    | 0.0         | 0.0         | 0.0         | 0.0          | 0.0          | 0.0         | 0.0         | 0.0         |
| <b>Valuation (x)</b>          |             |             |             |              |              |             |             |             |
| P/E                           | -2.0        | -1.8        | -1.6        | -1.5         | -1.4         | -0.8        | -0.8        | -0.9        |
| Cash P/E                      | 16.9        | -71.0       | -9.2        | -7.1         | -4.7         | -3.3        | -4.5        | -11.5       |
| P/BV                          | 7.4         | -1.2        | -0.8        | -0.7         | -0.5         | -0.2        | -0.2        | -0.2        |
| EV/Sales                      | 3.4         | 5.0         | 6.7         | 7.6          | 7.7          | 6.1         | 5.8         | 5.3         |
| EV/EBITDA                     | 10.1        | 12.3        | 16.2        | 19.0         | 19.2         | 14.5        | 13.7        | 11.7        |
| Dividend Yield (%)            | 0.0         | 0.0         | 0.0         | 0.0          | 0.0          | 0.0         | 0.0         | 0.0         |
| <b>Return Ratios (%)</b>      |             |             |             |              |              |             |             |             |
| RoE                           | -66.2       | NM          | NM          | NM           | NM           | NM          | NM          | NM          |
| RoCE                          | -7.9        | -5.5        | -5.4        | -3.9         | -3.6         | -2.0        | -0.5        | 2.0         |
| RoIC                          | -8.9        | -5.7        | -5.5        | -4.2         | -4.0         | -2.6        | -0.7        | 2.5         |
| <b>Working Capital Ratios</b> |             |             |             |              |              |             |             |             |
| Fixed Asset Turnover (x)      | 0.2         | 0.2         | 0.1         | 0.1          | 0.1          | NA          | NA          | NA          |
| Asset Turnover (x)            | 0.4         | 0.3         | 0.3         | 0.2          | 0.3          | 0.3         | 0.4         | 0.4         |
| Inventory (Days)              | 0           | 0           | 0           | 0            | 0            | 0           | 0           | 0           |
| Debtor (Days)                 | 25          | 22          | 23          | 19           | 19           | 20          | 19          | 18          |
| <b>Leverage Ratio (x)</b>     |             |             |             |              |              |             |             |             |
| Current Ratio                 | 0.3         | 0.5         | 0.9         | 0.9          | 0.7          | 1.1         | 0.7         | 0.8         |
| Interest Cover Ratio          | -0.7        | -0.4        | -0.4        | -0.3         | -0.2         | -0.1        | 0.0         | 0.1         |
| Net Debt/Equity               | 17.7        | -4.3        | -3.4        | -3.3         | -2.4         | -2.1        | -2.0        | -1.9        |

| Y/E March                        | FY20        | FY21        | FY22        | FY23        | FY24        | FY25E      | FY26E       | FY27E       |
|----------------------------------|-------------|-------------|-------------|-------------|-------------|------------|-------------|-------------|
| OP/(Loss) before Tax             | -618        | -443        | -282        | -293        | -304        | -270       | -260        | -235        |
| Depreciation                     | 244         | 236         | 236         | 230         | 226         | 215        | 213         | 216         |
| Interest & Finance Charges       | 144         | 178         | 209         | 234         | 258         | 240        | 253         | 259         |
| Direct Taxes Paid                | 24          | 8           | 15          | -13         | 0           | 0          | 0           | 0           |
| (Inc)/Dec in WC                  | -92         | -14         | -3          | 6           | 6           | -27        | -10         | 26          |
| <b>CF from Operations</b>        | <b>-299</b> | <b>-34</b>  | <b>174</b>  | <b>189</b>  | <b>186</b>  | <b>159</b> | <b>196</b>  | <b>267</b>  |
| Others                           | 372         | 191         | 0           | 0           | 0           | -88        | -73         | -105        |
| <b>CF from Operating incl EO</b> | <b>73</b>   | <b>156</b>  | <b>174</b>  | <b>189</b>  | <b>186</b>  | <b>71</b>  | <b>122</b>  | <b>162</b>  |
| (Inc)/Dec in FA                  | -78         | -45         | -57         | -55         | -20         | -97        | -151        | -133        |
| <b>Free Cash Flow</b>            | <b>-5</b>   | <b>111</b>  | <b>117</b>  | <b>133</b>  | <b>167</b>  | <b>-26</b> | <b>-28</b>  | <b>29</b>   |
| (Pur)/Sale of Investments        | 65          | 42          | 0           | 0           | 0           | 0          | 0           | 0           |
| Others                           | -15         | 14          | 0           | 1           | 0           | 307        | 195         | 279         |
| <b>CF from Investments</b>       | <b>-28</b>  | <b>11</b>   | <b>-57</b>  | <b>-54</b>  | <b>-19</b>  | <b>210</b> | <b>45</b>   | <b>146</b>  |
| Issue of Shares                  | 249         | 0           | 45          | 4           | 0           | 0          | 0           | 0           |
| Inc/(Dec) in Debt                | -81         | -44         | -53         | -51         | -74         | 228        | -139        | -42         |
| Interest Paid                    | -153        | -28         | -28         | -21         | -29         | -240       | -253        | -259        |
| Others                           | -65         | -96         | -69         | -79         | -87         | 0          | 0           | 0           |
| <b>CF from Fin. Activity</b>     | <b>-49</b>  | <b>-167</b> | <b>-106</b> | <b>-147</b> | <b>-190</b> | <b>-12</b> | <b>-392</b> | <b>-302</b> |
| <b>Inc/Dec of Cash</b>           | <b>-4</b>   | <b>0</b>    | <b>11</b>   | <b>-12</b>  | <b>-23</b>  | <b>269</b> | <b>-225</b> | <b>6</b>    |
| Opening Balance                  | 8           | 4           | 4           | 15          | 2           | 2          | 270         | 45          |
| <b>Closing Balance</b>           | <b>4</b>    | <b>4</b>    | <b>15</b>   | <b>2</b>    | <b>-20</b>  | <b>270</b> | <b>45</b>   | <b>52</b>   |
| Other Balances                   | 23          | 19          | 20          | 6           | 26          | 4          | 4           | 4           |
| <b>Total Balance</b>             | <b>27</b>   | <b>22</b>   | <b>35</b>   | <b>9</b>    | <b>5</b>    | <b>274</b> | <b>49</b>   | <b>55</b>   |

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|----------------------------------|--|
| Investment Rating                | Expected return (over 12-month)  |
| BUY                              | >=15%  |
| SELL                             | < - 10%  |
| NEUTRAL                          | < - 10 % to 15%  |
| UNDER REVIEW                     | Rating may undergo a change  |
| NOT RATED                        | We have forward looking estimates for the stock but we refrain from assigning recommendation |

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