bharti

August 10, 2026

National Stock Exchange of India Limited
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Bandra Kurla Complex, Bandra (E)
Mumbai - 400051, India
Symbol: BHARTIARTL/ AIRTELPP

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400001, India
Scrip Code: 532454/ 890157

Sub: Transcript of the Earnings Call dated August 05, 2026

Dear Sir/ Ma'am,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the transcript of the Earnings Call held on August 05, 2026 in respect of the audited financial results of the Company for the first quarter (Q1) ended June 30, 2026.

The transcript of the call is also uploaded on the Company's website i.e. https://www.airtel.in/about-bharti/equity/results

Kindly take the same on record.

Thanking you,
Sincerely yours,

For Bharti Airtel Limited

Rohit Krishan Puri
Digitally signed by Rohit Krishan Puri
Date: 2026.08.10 18:47:11 +05'30'

Rohit Krishan Puri
Company Secretary & Compliance Officer

***Encl.:** As above*

Conference Call Transcript

Event: Transcript of Bharti Airtel Limited and Bharti Hexacom Limited Q1 ended June 30, 2026 Earnings Webinar

Event Date/Time: August 05, 2026/12:00 Hrs

Transcript of Bharti Airtel Limited and Bharti Hexacom Limited Q1 ended June 30, 2026 Earnings Webinar

CORPORATE PARTICIPANTS

Mr. Gopal Vittal
Executive Vice Chairman, Bharti Airtel Limited

Mr. Shashwat Sharma
Managing Director and Chief Executive Officer (Airtel India), Bharti Airtel Limited

Mr. Soumen Ray
Group Chief Financial Officer, Bharti Airtel Limited and Director, Bharti Hexacom Limited

Mr. Akhil Garg
Chief Financial Officer (Airtel India), Bharti Airtel Limited

Mr. Naval Seth
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Mr. Karthikeyan Velu
Group Financial Controller, Bharti Airtel Limited and Chief Financial Officer, Bharti Hexacom Limited

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Vaidehi Sharma – Moderator

Good afternoon, ladies and gentlemen. I am Vaidehi Sharma, the Moderator for this webinar. Welcome to the Bharti Airtel Limited and Bharti Hexacom Limited Q1 ended June 30, 2026, Earnings Webinar. Present with us today is the senior leadership team of Bharti Airtel and Bharti Hexacom Limited. I must remind you that the overview and discussions today may include certain forward-looking statements that must be viewed in conjunction with the risks that we face. Post the management opening remarks, we will open up for an interactive Q&A session. Interested participants may click on raise hand option on the Zoom application to join the Q&A queue. The participants may also click this option during the management opening remarks itself to ensure they find a place in the queue. Upon announcement of name participants to kindly click on unmute myself in the pop-up screen and start asking the question post introduction. With this, I would now like to hand over to Mr. Gopal Vittal for his opening remarks.

Gopal Vittal – Executive Vice Chairman, Bharti Airtel Limited

Good afternoon, everybody and welcome to the Q1 earnings call. I have with me: Shashwat, Soumen, Akhil and Naval. Let me comment on the overall performance as well as the new bets that we are focused on before I hand over to Shashwat. We delivered yet another quarter of strong performance across the group. Our consolidated revenue was Rs.58,500 Crores, growing at about 5.7% sequentially. Africa maintained its strong growth trajectory with a constant revenue growth of 5.7%. India excluding the passive infra growth was equally strong at 3.6% sequentially. Our consolidated EBITDAaL was at Rs.29,800 Crores, this is a growth of 4.2% and the margin stood at 51%. Our operating free cash flow, which is EBITDAaL minus capex, was at over Rs.16,450 Crores. Capex for the quarter was about Rs.13,390 Crores and the operational discipline continues to remain an enabler of our strong performance with focused execution and efficiency improvements through our War on Waste initiative. Our consolidated net debt to EBITDAaL improved to 0.7% and India without passive infra is now lower than 1%. The strength of our balance sheet is underpinned by our prudent capital allocation, disciplined capex and continued operational excellence and this is well recognized by leading global agencies, which sustained rating upgrades during the quarter. Our diversified resilient portfolio continues to deliver strongly.

Today, I want to spend a little bit of time on Africa, a market where we see a significant long-term opportunity. During the quarter, we completed an EPS accretive share swap transaction that increased our Airtel stake in the Africa business to over 79%. This strengthens our participation in Africa’s growing profit pool and underscores our belief in the scale and durability of the opportunity across the continent. We have invested significant time in understanding each market, building local execution capabilities and developing healthy relationships with regulators and other stakeholders. This experience has also affirmed our decision to introduce Indus into Africa. Airtel's Africa operations today, generate an annualized EBITDA of over Rs.35,000 Crores and I truly believe this is a very, very rare achievement for an Indian based company. Africa is also, as you know, an important growth engine in Airtel’s portfolio, contributing in the last one year almost half of our consolidated revenue growth of 16% odd for the year. Over the last five years, the business has delivered constant currency CAGR growth of over 20% in revenue and over 24% in EBITDA, reflecting both the strength of our execution and the scale of the opportunity. The structural growth potential is supported by a powerful combination of favorable demographics, low digital penetration and rising demand for connectivity, financial inclusion and digital infrastructure. I believe Africa today resembles India nearly 10 years ago - a large, young and increasingly digital population with meaningful headroom for penetration-led growth and let me give you a few examples of this, just to reinforce this. Tele-density which is penetration is at 45% and smartphone penetration is only 52%, showing you the headroom available. The average median age across the continent in the markets we operate in is under 18 years and the total population across these 14 countries is about 680 million and growing strongly. Home broadband penetration is only 2% and there are at least 30 million households that can afford a broadband connection. The enterprise and data center opportunities remain largely untapped. We have over 82,000 kilometers of fiber with access to large submarine capacity. And finally, Airtel Money has now achieved meaningful scale with a Q1 revenue of over $400 million growing at

26% year-on-year in constant currency terms and the opportunity ahead here remains significant with 64% of adults across our footprint still without access to a formal bank account. Given this growth trajectory and the large addressable opportunity, Airtel Money is now preparing for a London listing in the second half of 2026. We are investing with discipline to capitalize on multiyear opportunities across mobile, across 5G, homes, Airtel Money, B2B and data centers and while we are still very early in homes and B2B segments, our balance sheet gives us the capacity to build a meaningful position in each of these areas.

As a group, we have brought significant heft to our Airtel operations in the last 18 months. Benefits now accrue across technology, across network, across supply chain and talent and we operate far more cohesively, translating these efforts into stronger operation, execution and operating excellence. We have called out three additional areas for group cohesion - B2B where both solutions and go to market capability are replicated across the continent. On homes, all of the lessons that we have learned in India are now extended into Africa. Energy efficiency is another key area of focus. We are working with Indus to deploy high energy efficiency power equipment and advanced energy storage solutions aimed at reducing diesel dependence across sites. We have also looked at the opportunity to extend our digital platforms, which has stepped up the execution capability within the business. So, we believe, going forward, there is very large opportunity around synergy for across the India Business, Indus Towers, Airtel Payments Bank and our Africa operations.

Let me provide a brief update on our new growth bets and let me start with our financial services portfolio. We recently went live with our lending services, marking an important milestone in our financial services journey. We have done this at remarkable speed, just about nine months from the date of the application of the license and the real reason for this, which is the secret sauce inside Airtel, is that we have reused all of our digital platforms. So, our data platforms, our CLM platform as well as our channel platform are now in the NBFC as the same platform that we have been using inside the Telco. The momentum is building and we are excited by the opportunity as we work towards making simple and secure financial services more accessible to a wider set of customers. Airtel Payments bank, which is another engine of our financial services portfolio, continues to deliver strong performance. We ended Q1 with a monthly transacting user base of around 120 million. The annualized revenue run rate is now over Rs.3400 Crores and deposits remain strong at a shade under Rs.4400 Crores, growing at 17% year-on-year. Both these businesses are integrated by what we call our storefront, which is Airtel Finance. This storefront, Airtel Finance, covers lending through our NBFC as well as some partners, transacting, which is our payments bank. Some early moves on savings through fixed deposits and more such engagement options are planned. In fact, the total loan disbursements through Airtel Finance are now at over Rs.750 Crores per month. Using our digital capabilities, we have a proven model to deliver lower delinquencies, lower cost of acquisition and lower collection costs. We believe these capabilities will help us scale our NBFC and the payments bank.

The second growth bet is data centers. The business is on a strong growth trajectory with sustained revenue growth. We believe that our market share here at about 12% is clearly low for the large heft and size that we have as a Company. We are working towards our ambition to build one gigawatt in the next few years. Many of those contracts have been stitched up. We are also in the process of acquiring more land in the right locations and in the coming quarters, as we finalize some of these landmark deals, you will hear more progress update from us.

The other area of focus is Airtel Cloud. We continue to see a strong momentum here with almost all critical services now live on our platform. Over the quarter, we have added 11 new customers, taking the total customer count to 33. The strength and readiness of our platform is reflected in all of the certifications that we received from MeitY, amongst others which will further strengthen our go to market proposition. We believe this business needs four things to really succeed. The right talent, capital that we have already invested, the go to market capabilities that we have and the right solutions for continuing to build out what customers need. We are stepping up significant investments to continue to invest behind this in order to scale this. With this, let me hand over to Shashwat for an update on the India business.

Shashwat Sharma – Managing Director and Chief Executive Officer (Airtel India), Bharti Airtel Limited

Thank you, Gopal and a very good afternoon to everyone. I will first share an update on each of our business segments in India, followed by an update on our strategic priorities. Let me start with mobile. This quarter, we added 3.3 million revenue earning customers and 5 million smartphone data customers. We added 1 million postpaid customers this quarter, which is the highest ever addition in any quarter for us. Postpaid customers now account for 8% plus of our total customer base. Our ARPU for the quarter came in at Rs.264, which also had the benefit of an extra day during the quarter.

Homes, we delivered a net adds of 473,000 which is a moderation over our previous few quarters' trajectory. I will talk about this in detail in the strategy section.

Digital TV, we added 6000 more customers during this quarter led by a strong adoption of IPTV. Our IPTV take rates continue to improve and deliver on our convergence agenda that we have been driving in the business.

Airtel business revenue came in at about Rs.5670 Crores, growing 3.2% sequentially and nearly 12% over last year. The quarter saw large deal wins across core connectivity and digital portfolio as well as we have a visibility on sustained growth in the quarters to come on B2B. Our digital businesses delivered another quarter of solid performance with revenue growth of nearly 6% sequentially. We are seeing strong traction across our portfolio including cloud, cybersecurity, IoT, digital platforms and CPaaS and we are seeing some notable deal wins during the quarter.

Let me now move to the strategic pillars and start with quality customers.

In the home segment, we still see a market opportunity, which remains very significant. Demand for high-speed connectivity continues to be supported by rising smart TV penetration, higher concurrent usage within households and rapidly evolving data consumption needs. Majority of this demand is concentrated across the top 1000 towns, and this is shaping where we invest and how we serve this market. Our strategy in homes is centered on building a high-quality customer base through differentiated services and a seamless experience across our touch points.

Over the last couple of quarters, we have drawn important learnings from our FWA expansion. While low entry level pricing helped attract customers, the outcomes were not consistent with the quality of customers franchise we wanted to build with a higher churn and weaker continuity in certain cohorts. In addition, driving global memory and chipset pricing have also challenged FWA economics. We have responded to this with discipline. We have tightened acquisition quality, doubled down on improving our churn and driving towards a healthier business outcome. Our conviction in sustainable growth in homes is to accelerate fiber and deploy FWA with sharper precision where the economics and customer quality are compelling. This is already beginning to show momentum through the last few months and weeks as we have gone through this. Leveraging fixed-mobile convergence on top of this is central to our home strategy. Our One Airtel plan brings these services together through a proposition that offers greater convenience, flexibility and value for our customers and we are seeing promising adoption. Convergence will be an important lever to deepen our relationship with our customers and reduce churn.

Let me now switch to mobile. Our focus remains on accelerating ARPU growth through portfolio premiumization in mobile while continuing to maintain a competitive share of customer net additions. Postpaid is a key ARPU growth lever for us with significant opportunity ahead of us. Our recently launched Fast Lane technology, leveraging network slicing on 5G, is delivering the differentiation on postpaid, which is driving an acceleration of the business. For upgrading customers here, we are focused on driving persuasion, simplification of our journeys and superior value discovery across all our channels. Within prepaid itself, we continue to see a large opportunity to move customers to their most relevant plans by using customer context and next best action capabilities that we have developed on our digital stack. In addition, handset upgrades from feature phones to smartphones, rising data usage, 5G adoption and international roaming provide meaningful headroom for ARPU expansion going forward. I do want to reiterate that the longer-term pricing architecture of the industry still needs to be repaired and the industry must charge for data consumption. This is paramount for sustained ARPU growth in the longer term.

Let me now turn to B2B. Enterprise demand is moving beyond traditional connectivity, creating significant opportunities across our portfolio. We are approaching this opportunity with a clear execution plan across three areas. First is to build a world class infrastructure, expanding our fiber availability, strengthening quality to deliver flapless networks, augmenting our subsea capacity, deepening our data centers and data center to data center connectivity with OPGW infrastructure. Over the last three years, we have deployed about 1,39,000 kilometers of fiber and we believe sustained investments in this infrastructure layer is critical to meeting our enterprise demand. Second, we are scaling up our digital services portfolio across cybersecurity, IoT, CPaaS, SDWAN and Cloud. And third, we are raising the bar on account management as well as our delivery and assurance and all these initiatives are beginning to deliver positive outcomes and are helping us to accelerate our business.

The second pillar of our strategy is the obsession with offering brilliant customer experience. Customer experience remains at the heart of our strategy and underpins everything we do, from network investments to digital innovation. We are investing in upgrading our transport layer and building advanced 5G capabilities. Network slicing is a key enabler of this strategy, which is helping us improve our 5G network efficiency, expand effective capacity and deliver differentiated experience for our customers. Our converged data engine, which powers the digital experience layer, enabling faster execution and customer engagement with greater precision, is at the core of our growth. By bringing together customer context, data intelligence and digital tools, it allows us to deliver more personalized and contextual interventions across the lifecycle of the customer.

The third pillar of our strategy is to build and leverage our digital capabilities and here, we are using AI to reimagine how work gets done across Airtel - from customer engagement, network operations to frontline productivity and product management. The focus is on combining data, intelligence and automation in ways that improve speed, precision and consistency across the business. I will share a few highlights from the quarter that has gone by. We continue to progress and scale our AI for personalization, spam production and call center operations. This is something I had called out last quarter as well. Our real time and context based decisioning has now expanded to 7.7 billion next best actions and this is now lit up across all our channels led by the Airtel Thanks App. Since its launch, our AI led anti-spam solution has identified over 93 billion spam calls and 4 billion spam messages and blocked over 1.4 million fraudulent links. Customer interactions through our call center Voicebot have increased to 309 million in this quarter. I am happy to report that this quarter, we were able to make a meaningful difference in our delivered workmanship across 30,000 field engineers with the help of AI. With patented technology that allows inferencing on the endpoint device rather than the cloud. We are now leveraging real-time image processing to standardize workmanship in our operations. This is leading to a step change in quality of installs and fault repair and enforcing adherence of safety measures on ground, which remains a very important priority across the business. All of this transformation is led by a homegrown agentic platform with a clear focus on creating cost efficient automation and compute and having clear guardrails for customer safety, privacy and sovereignty of what we do.

The fourth pillar of our strategy is War on Waste. This remains a core pillar to drive cost discipline across the organisation Over the last five years, we have optimized over Rs.11,000 Crores from our network opex, reflecting the depth and consistency of this program.

We have further sharpened our focus on identifying and eliminating waste across the portfolio. This includes redesigning our ways of working and taking decisive actions to mitigate cost pressures including redesigning our tower operations to eliminate diesel consumption and making sharp choices in the way we deploy capex in homes business. These efforts have helped us in navigating this phase of global cost headwinds in the business. At the same time, we recognize that there is considerable work ahead to be done to building a more efficient, resilient and sustainable operating model.

So, to sum up, overall, we have delivered another quarter of strong performance supported by the strength of our diversified portfolio and sharp execution across all our businesses. Looking ahead, we continue to see significant growth opportunities across our core businesses, which is growing mobility ARPU, accelerating growth in homes and scaling our B2B businesses. We are investing across our digital portfolio and new growth engines that will strengthen Airtel's future readiness and support sustainable long-term growth. Obsession with brilliant customer experience remains our driving force and now we are reimagining our processes with the world of AI to enhance productivity, step change our experience and drive operating leverage. With that, let me hand it over back to Vaidehi to open up the Q&A session. Thank you.

Vaidehi Sharma – Moderator

Thank you very much, Shashwat. We will now begin the Bharti Airtel Q&A interactive session for all the participants. Please note that the Q&A session will be restricted to the analyst and investor community only. Due to time constraints, we would request if you could limit the number of questions to two per participants to enable more participation. Interested participants may click on raise hand option on your Zoom application to join the Q&A queue. Upon announcement of name, participants to kindly click on unmute myself in the pop-up screen and start asking the question post introduction. Participants are requested to limit their questions to Bharti Airtel till 12:00 p.m. as the management will start asking the questions 1p.m. onwards. With this, the first question comes from Mr. Piyush Chaudhary. Mr. Choudhary, you may please unmute your side, introduce yourself and ask your question now.

Piyush Choudhary – HSBC

Thanks for the opportunity. This is Piyush from HSBC. Two questions. Firstly, on the mobile ARPU, what led to strong improvement quarter-on-quarter? Was there any product revamp or some specific plan adoption rows like Fast Lane? Any color over here would be useful and should we expect this trend to be sustainable in absence of tariff hike? Secondly, on Airtel business, you have delivered a very strong growth year-on-year. Can you break down the levers of such growth into various sub segments like connectivity, cloud, data center and if you can discuss the outlook of this, is this kind of number sustainable? Thank you.

Gopal Vittal – Executive Vice Chairman, Bharti Airtel Limited

Shashwat, why don't you take the first question and I will take the second one.

Shashwat Sharma – Managing Director and Chief Executive Officer (Airtel India), Bharti Airtel Limited

Yes, sure Gopal. So, thanks Piyush for that question and I think on mobile ARPU see we see as we said, we see substantial headroom within the current customer base itself, the way we are structured because there is enough upgrade that is happening, which is driven by consumption of data, moving to unlimited plans as well as an acceleration on the postpaid with the differentiation we have brought with Fast Lane technology. So, I think it is a combination. We see reasonable headroom in front of us to continue this momentum in the mid-term. Long term, as I spoke, I think the pricing architecture will have to repair with charging for data and consumption becoming the norm if we have to see this kind of a long-term sustainable growth, but I think in the mid-term, there is enough and more we have here.

Gopal Vittal – Executive Vice Chairman, Bharti Airtel Limited

Yes Piyush, I think, on the B2B side like you mentioned, I think our portfolio comprises of three types of businesses. One is the connectivity business, second is our wholesale business which tends to operate at low margins and the third is the digital businesses that we have within B2B, which is our data center, Cloud, CPaaS, IoT, cybersecurity and so on. Over the last couple of years, we have seen sustained growth in our digital businesses, and it is now beginning to accelerate. The problem that we have had in the business in the past has been that we have had a large dependence on wholesale which is subject to a lot of price pressure as also movement of messaging away from SMS to things like WhatsApp and so on and so forth. The connectivity business has been, sort of, the market grows at low single digits. So, what we have seen in the quarter is a step up in our digital businesses as we continue to make investments across all of these areas and also a step up in the connectivity side of the portfolio, particularly on the global side as we won some larger deals, which has impacted the quarter and I think that bodes well even for the underlying margin of the business this quarter.

Piyush Choudhary – HSBC

Got it. Thank you, Gopal and Shashwat.

Vaidehi Sharma – Moderator

The next question comes from Mr. Vivekanand Subbaraman. Mr. Subbaraman, you may please unmute your side, introduce yourself and ask your question now.

Vivekanand Subbaraman – Ambit Capital

Hi, I am Vivekanand from Ambit. I have two questions. So, the first one is on the capex. So, I understand that your annual capex is likely to be in the $4 billion ballpark. Just to drill down a bit further on this, how much reallocation of this capex is happening towards projects like AI infrastructure which include data centers, subsea cables and sovereign compute and how does 5G standalone also play a role in respect to the overall capex number? That is the first one. The second one is on the B2B revenue mix. So, Gopal, thanks for giving color on Piyush's question. Just to look at this business a bit further down the line with increased share from digital services which are, let us say, asset light and low margin like CPaaS or digital, how do you expect the overall Airtel business EBITDA margins to trend over the next two to three years and if you can talk about, let us say, the conversion cycles for the recent deals that you signed in Airtel Cloud and translation into revenue, that will be great. Thank you.

Gopal Vittal - Executive Vice Chairman, Bharti Airtel Limited

Well, so, I think the detail of the capex Soumen can come in but we have, I would just say that the radio capex has moderated across the portfolio over the last couple of years. So, I think that is clear. Yes, there will be some step ups based on what happens in the competitive sphere, but broadly it is, sort of, moderated; core capex is small. The large part of our capex is going on transport as well as, which includes all of the stuff around fiber and fibering up the country and so on and so forth and that by the way includes homes as well, so I include that as part of the transport. For 5G standalone, the capex is very modest because it is largely software. Like we have said, it is just a switch of a button and many of these investments over the next couple of years, we will now continue to rapidly sort of scale up our data center portfolio as we are building out from the 120 to 130 megawatts, all the way to 1 gigawatt over the next few years. So, there is going to be a period of rapid capex spend that you will see and within that, the overall capex pool we will have to, sort of, see how do we moderate it. I think my message would be that wherever we think that there is a legitimate need for the business in order to step up growth, in order to be competitive or to actually plan some of these newer bets; as a Company, we will not hold back on capex. On the B2B revenue mix, your question was on margins as the portfolio retools. I think the fact is that this business is a clutch of different businesses. When you look at areas like cybersecurity and CPaaS, margins are low because as you rightly pointed out, investment is low, but however, if you look at the connectivity side, the margins there are very healthy. IoT, the margins are very healthy, but in cloud and data centers, there is a significant investment as well. So, it is not that these are light investments, sort of options, so there is heavier investment and again the margins are commensurate with the kind of investments. I think, longer term, as the portfolio retools, we think the margins will be in this ballpark, maybe sort of trend slightly downwards as we see the step up in the digital portfolio, but the real metric for us that we should be looking at is faster revenue growth because ultimately this market, as we have repeatedly stressed, is very large and all of it depends on our ability to execute. So, whether it is data center, whether it is Cloud, these are very large markets, very fast-growing markets and it is our ability to execute that is the limitation which requires not just capital but requires talent, it requires the right kind of solutions and of course, it requires replicable business practices, go to market practices. So that is the way we see this business. Soumen, is there anything else to add on the capex?

Soumen Ray – Group Chief Financial Officer, Bharti Airtel Limited and Director, Bharti Hexacom Limited

No, Gopal, you have covered capex well.

Vivekanand Subbaraman – Ambit Capital

Right. Thank you, Gopal, for the commentary. Just one follow-up, we saw that you raised a $1billion at Nxtra to accelerate the investments in that business. So, Gopal, just to understand your capex strategy, since you are stepping up and raising external funding at a relatively early stage in data centers, is it fair to say that hereon, wherever you see any meaningful step up, jump in capex, you will look for external sponsorship or do you lean on your own balance sheet? What are the considerations on whether to use Airtel's own balance sheet to step up versus targeted fundraise at an entity level?

Gopal Vittal – Executive Vice Chairman, Bharti Airtel Limited

I think we will cross that bridge when we come to it. The fact is that Nxtra will need funding and that funding will be obviously there is some equity infusion, but there will also be a debt that will be raised at Nxtra. Whether it comes off our balance sheet and goes into Nxtra or it comes from outside. I think that is a decision we need to take overtime. But the fact is that Nxtra will need to lever up in order to build out what is required over the next few years. Soumen, anything to add on this?

Soumen Ray – Group Chief Financial Officer, Bharti Airtel Limited and Director, Bharti Hexacom Limited

No, Gopal, I think as you said, we will take this call as and when it appears. There was opportunity which presented itself in Nxtra and we have used that opportunity.

Vivekanand Subbaraman - Ambit Capital

All right. Thanks, Gopal and Soumen. All the very best.

Vaidehi Sharma – Moderator

The next question comes from Mr. Sanjesh Jain. Mr. Jain, you may please unmute your side, introduce yourself and ask your question now.

Sanjesh Jain – ICICI Securities

Good afternoon. Thanks for taking my question. I got three questions and one bookkeeping question. First on the Fast Lane, what has been the experience of the customer or if you would have studied, how much improvement has the customer felt by moving on to the Fast Lane and will this opportunity attract even more customer and does it offer an opportunity for us to grab higher market share in postpaid? That’s number one. Number two, on the data center business, Gopal, when you mentioned that we are scaling up Nxtra from 120 to 130 megawatt to 1 gigawatt hour, does this also includes the contract we signed with Google or this is purely the Co-lo, which Nxtra is looking to do, that was second and one on the FWA, Shashwat, you mentioned that there is an increase in churn and we are making a change in terms of the customer acquisition strategy - what was the churn rate and does this really, materially change the growth rate because when we talk about the churn, that means there, we have a customer which was slipping, so will we be able to maintain the run rate which we have been doing in the FWA despite the churn rate. These are the three questions and one on the bookkeeping, finance cost in Africa, particularly does Airtel Money, what it pays, interest on the leverage, which it does, that also get captured in the interest cost? These are my four questions. Thank you.

Gopal Vittal – Executive Vice Chairman, Bharti Airtel Limited

Shashwat, will you take the Fast Lane?

Shashwat Sharma – Managing Director and Chief Executive Officer (Airtel India), Bharti Airtel Limited

I will take the Fast Lane and the FWA one and then I will hand over to you for the DC infrastructure cost. So, Sanjesh, thank you. On the Fast Lane, I just want to touch upon the fact that look, what happens with the slicing technology is, the SA slicing technology makes the network more efficient. We are able to generate more capacity in the network. At empty network level, it does not make a substantial tangible difference, but when the networks get congested, when you are in a crowd, those are the kind of places where it starts showing up in a differential experience. We have had some places but overall, net-net, we have been able to demonstrate that the customers on Fast Lane see a differential experience technically, but in reality, in an empty network it mainly does not make a difference. Having said that, the interest of getting customers to upgrade using Fast Lane as a reassurance of a superior experience is working well for us and we have seen positive signs of that. We have seen some acceleration in interest in the business, and we continue to see this as a large growth pillar for us going forward. On fixed wireless access, Sanjesh, I will just touch upon that. I think the real issue there was the fact was we went down on very aggressive low acquisition pricing in the market and that led to some round tripping and quality of acquisition deteriorating. That we have to pull back Sanjesh, in terms of what we are seeing there, so I think that is a place where we are seeing constant month-on-month improvement. Whether we come back to old rates and all, we will see. The more important thing for us right now is to constantly grow the business, go into the right unit economics and we want to double down much more on fiber and use FWA with the right outcomes. I think that really is the focus for us right now.

Gopal Vittal – Executive Vice Chairman, Bharti Airtel Limited

You want to finish the finance cost please, Soumen?

Soumen Ray – Group Chief Financial Officer, Bharti Airtel Limited and Director, Bharti Hexacom Limited

So yes, Airtel Money is added into overall Airtel, Africa and us, but you must remember that Airtel Money Limited is a net cash positive Company. So, there is no net interest cost and whatever little cost is there is a part of cost of goods sold. Having said that, there are some derivative and some upstream costs, which appears in interest cost and gets consolidated in interest cost. Over to you, Gopal, on the data center.

Gopal Vittal – Executive Vice Chairman, Bharti Airtel Limited

Yes, I think the data center is a simple answer. Yes, the Google one is also included. I just want to come back to the Fast Lane. I think what we have seen is that, very clearly, for customers on the slice, they are getting better speeds, right, but the fact is that for all customers, the speeds have improved because the network has become more efficient. So, it is a combination of both things that we are seeing and then of course there is the additional piece that there is a very large opportunity of customers who are sitting on what we believe should be postpaid but are sitting on prepaid, where the headroom for growth for postpaid is very, very large and I think this is something that we need to get right over the course of the coming years.

Sanjesh Jain – ICICI Securities

Thanks, Gopal. Just one on data center again, what gives us confidence of scaling up to a one-gigawatt power? Are we seeing that kind of a demand in India, which can allow, because there are multiple operators and everybody is talking of a gigawatt power and today India is at roughly 1.6-gigawatt power, so what gives us a confidence and do we have a strong pipeline which gives this confidence for us?

Gopal Vittal – Executive Vice Chairman, Bharti Airtel Limited

Yes, we do. The short answer to your question is yes, we do and just to give you a little bit more texture to it, the data center market comprises, as you know, of both hyperscalers and domestic enterprises. Within the hyperscaler segment, a very large part of the workloads run out of Mumbai and therefore, one of the key considerations for building, getting to one gigawatt is the right land parcels in Mumbai, which we are in the process of, sort of finalizing. So, that is the first piece. The second part is the existing contracts as you alluded to on Google. The third is upcoming build that is already well underway and that will be a couple of hundred megawatts over the course of the next couple of years and then there is a small gap of the need to fill the balance with the land parcels that we are looking at in Mumbai where we believe that with those parcels, we should be able to fill. So, the reason we have gone out on a limb to say that our ambition is to get to a gigawatt in the next few years is because we have very clear line of sight to actually get there.

Sanjesh Jain – ICICI Securities

That is great. Thanks, Gopal, Shashwat and Soumen for answering all those questions and best of luck for the coming quarters.

Vaidehi Sharma – Moderator

The next question comes from Sumangal Nevatia. Mr. Nevatia, you may please unmute your side, introduce yourself and ask your question now.

Sumangal Nevatia – Kotak Securities

Yes, good afternoon, this is Sumangal from Kotak Securities. Firstly, congratulations to the team on another stellar quarter. I have two or three questions. First on the homes, so if you see margins are under pressure and it has been the lowest in the recent past, sub additions have also been lowest in the past seven to eight quarters. So just want to understand, is it a conscious slowdown given the cost inflation which you touched upon initially or is it a high base catching up or some other increase in competitive landscape here? That is first. Second, on overall, data sub addition is continuing very strongly. So, with regards to the issues of price inflation in the smartphone, is the underlying trend too strong to have an impact here or something which could be an issue or a headwind going forward given the inflation in the smartphones and lastly, you have touched upon this but just some more color on the B2B capex. I mean it has been quite volatile, still around mid-teens in terms of revenue. So given our plans, is the actual spend pick up more medium term and not near term, if I can get some more color on the cadence here?

Gopal Vittal – Executive Vice Chairman, Bharti Airtel Limited

I think, on the B2B capex, I think the material difference that will actually take place is the rapid build out on the data center side. On Cloud, we have already finished the investments in the first round across the three regions that we operate and as it fills out, we will keep adding. That is a modular investment. The data center will be lumpy as the build or large tracts of land are required. So, that will, sort of, show up over the coming quarters. Let me just finish up the point on the homes, I think Shashwat has already alluded to it. The fact is that there was poor acquisition quality, that has been tightened substantially and therefore that has led to a reduction in the customer adds. We are already seeing traction in the last couple of weeks on this being repaired because this was obviously a short-term hit but it at least builds the business for the future and we believe that we should start seeing momentum coming back from here onwards and where it ends up, we will look at. On the data side, there are a lot of refurbished phones that are still being circulated. That number has gone up with inflation, so we see strong sub additions but over time, how this inflation impacts the customer wallet is yet to be seen, but at this point we would see no impact from that.

Sumangal Nevatia - Kotak Securities

Got it. Thank you and all the best.

Vaidehi Sharma – Moderator

The next question comes from Mr. Gaurav Rateria. Mr. Rateria, you may please unmute your side, introduce yourself and ask your question now.

Gaurav Rateria – Morgan Stanley

This is Gaurav from Morgan Stanley. I have a couple of questions. My first is on your B2B portfolio. Is it fair to say the largest TAM there will be for the Cloud business? What has been our USP to win those 30 plus customers that you talked about and at what point in time will it start making a difference to the overall growth rate in the portfolio? Second question is around home, is there a market share target that you are looking at from FWA perspective? I know that you look at the consolidated home broadband portfolio as a one portfolio including FWA and the fiber right, but is there a target market share that you are looking at or you will start caring about the market share below a certain threshold and the last question is on your Airtel Finance portfolio, like, how are you trying to manage the conflict, if at all, with your other partners that you have in the Airtel Finance app versus your own NBFC, which is also becoming one of the partners in your business? Thank you.

Gopal Vittal – Executive Vice Chairman, Bharti Airtel Limited

Yes, I think on the B2B side, we have had a lot of lessons learned in the last few months as we have gone out to the market. I think the first lesson is that the decision making in a business like this has longer gestation and the reason is quite simple. These are important workloads and for customers to move from, whether it is the premise or whether it is repatriating from a hyperscaler cloud or whether it is to move from a private co-located cloud that they have, the integration effort and the task involved is quite high. The second, of course is that if you are already on a different cloud player, then sometimes, you have egress costs which are high, which also become the barrier, so the gestation period for a decision is large. The second is that we find that commercialization, which really is a function of the ability to move those workloads because a lot of this gets paid on a per use basis, is a muscle that needs to be built and I think those are the two lessons. The third lesson is how do you package this and bundle this intelligently. So where we are seeing traction is around simple propositions which can be easily bought. For example, disaster recovery backup as a service. Storage as a service. Video surveillance as a service. These are where we won a lot of the deals, that we have won over the last quarter. The one place where the deals are large is the need for sovereign clouds where there are more sensitive workloads. This is largely in the regulated spheres or in the PSU spheres and these are the areas where a lot of the certification work that is going on is underway. And finally what the business needs is it needs to be incubated separately on a model that we have got is that the incubation is being done within the business. We are now trying to build a top-notch talent group within that business to actually build it, but yet depend on the B2B go to market teams to open the door so that all of the rest of the stuff on the technical sales and solution architecting can be done by the Cloud team. On Airtel Finance, yes, you can always argue there will be a perceived conflict, but we do not believe there is any conflict because even if you look at some of the very large NBFCs in India, you do find that they also have an LSP or a storefront and they work with partners and then there are also obviously some RBI regulations, which dictate the way that we need to operate within the LSP segment and therefore we will abide by that and make sure that we are totally meeting all of the compliance requirements that the business needs. We do not set a target for FWA, we only set a target for home broadband and we do not believe that we should have a target for technology. We believe we have a target for a customer and a business and that is really our focus.

Vaidehi Sharma – Moderator

The next question comes from Aditya Suresh. Mr. Suresh, you may please unmute your side, introduce yourself and ask your question now.

Aditya Suresh – Macquarie

Thank you. Two questions. The first on Africa, Gopal, maybe in very broad terms, given your thrust on the Africa business, can you maybe speak about what sort of contribution you see Africa scaling to over the next, say three to five years, whether it be EBITDA, invested capital, any other frame of reference you would like to use? The second question is something we have tried to ask before but return on average capital employed per your kind of data pack, we are now above 20%. As you can drive your topline, there are several levers as you pointed out, is there any reason why you think that the ROCE would not expand at least 500 basis points over the next three years? Thank you.

Gopal Vittal – Executive Vice Chairman, Bharti Airtel Limited

On Africa, like I said, I think the structural factors that are prevalent in the continent make for a very, very compelling opportunity for our business and we are very excited about the fact that the business is now on a sustained momentum of 20% plus CAGR growth. We believe the headroom for growth continues to be high and my sense is that all of the things that we have learned as a group are now being cohesively driven. So, whether it is the War on Waste program, whether it is the technology platforms being transferred, whether it's talent fungibility, and whether it is procurement, all of these are now deeply embedded into Africa and over the last 18 months, Soumen and I have worked very closely with the Africa team to make sure that all of this is now very, very deeply embedded and you can see the results of that already translating into the marketplace. I think the step up in growth is because we bring the same rigor and the same deaveraging that we have seen work so very well in India over the last few years. Suffice it to say that Africa, we expect it to punch above its weight. So, today, if you look at the contribution of the Africa business to our portfolio, we expect that the contribution to growth will be substantially higher than the base contribution to the business, which means that the contribution of Africa will keep growing in the overall portfolio and the second thing I would say is that the investments into Africa, we will continue to step up, we have already stepped it up as you know, but that said, remember, Africa operates with a very different environment because the market structure is typically two to three players. In most markets, it is two players, in some markets it is three, spectrum is quite cheap, you get large quant pools of spectrum and that means that your investment really is on the network, is on transport because and in some countries it is landlocked, so you need to build a lot of fiber, so that is where the investment is going and of course there is also investment going in the homes business. On return on capital, I think I would just simply say that, look, our focus right now is, if we can continue to grow the business, extract operating leverage, then those are outcomes that come out and we do not set those as targets because there are different ways of actually meeting that, including making short term decisions on reducing capex and that is something that we do not do as a business. So, you will fund whatever is required to grow this business. Our focus is growth and yet operate in a fiscally prudent way on both cost as well as capex spend so that we continue to drive growth across our portfolio.

Aditya Suresh –Macquarie

Thank you.

Vaidehi Sharma – Moderator

The next question comes from Mr. Manisha Adukia. Mr. Adukia, you may please unmute your side, introduce yourself and ask your question now.

Manish Adukia - Goldman Sachs

Good afternoon, this is Manisha Adukia from Goldman Sachs. Thank you for taking my questions. I have two questions, one on India and one on Africa. On India first, and Shashwat, going back to your earlier comments around ARPU, that in the medium term you do see enough headroom for growth from organic levers and it is only maybe in the long term or maybe over the long term you do see the pricing architecture get resolved. The first part of the question is are you suggesting that in your own opinion assessment, in the near term you do not see that pricing architecture get corrected and all growth in ARPU will be organic and over maybe a slightly longer time period you could see that pricing architecture correct and unlike in the past, where we used to see maybe let us say tariff hike every couple of years, is like, safe to say that now, we may be in a more infrequent tariff hike cycle and the second related question on that particular topic is, again, going on return on capital for the India business now at mid to high teens post tax return on capital and I get the part about pricing architecture not being correct, but why, when you are already seeing decent growth in the business with good operating leverage, do you really need price hike at all when your organic return on capital continues to improve quarter-on-quarter? That is my first question. I will come back on the Africa question after that. Thank you.

Gopal Vittal – Executive Vice Chairman, Bharti Airtel Limited

Go ahead, Shashwat. I will just comment very briefly on pricing and, Shashwat, I will hand over to you. I just want you to know that the most important thing is to repair the architecture. So, when we talk about disrepair or when you talk about lack of repair, it is actually the architecture, which means that for a very low level of pricing you get unlimited data and that means ARPU is capped. That to me, is not a healthy way to operate because if you look at, and we have talked about this before, any market that you look at, you have an architecture which goes from small, medium large to extra-large and so, if you just operate with a more sensible price architecture, my view is, in the next five to seven years you will see sustained growth, just on account of ARPU as India gets more affluent, etc., of 4% or 5%, maybe slightly higher. That, I think, will be a good place to go and there is no need to touch the entry level pricing because the entry level pricing is, I think, is good enough and so, I think the way that we need to think about price architectures and industry needs to fundamentally change over the next few years. Shashwat, over to you.

Shashwat Sharma - Managing Director and Chief Executive Officer (Airtel India), Bharti Airtel Limited

Ya, Gopal, nothing much to add. I think that is the reality and, I think, how this plays out in the future is very difficult to comment on, honestly. As soon as we can correct this architecture, it'll be great, but it needs, like, we cannot do it single handedly. I guess that is the larger point. We will have to watch this. So, I think nothing else to add here. Gopal, you want to take up, saying high ROCE?

Gopal Vittal – Executive Vice Chairman, Bharti Airtel Limited

No, I said I think they are outcomes and what is more important is to have a more sensible architecture.

Manish Adukia – Goldman Sachs

Sure, and helpful. My second question on Africa and partly also related to Indus. Now, Indus today is expanding to three markets in Africa. From a Bharti Airtel perspective or Airtel Africa perspective first, can you just talk about some of the advantages that you would get at Airtel Africa by having Indus and how does that impact Airtel Africa's own opex and capex by having Indus versus using somebody else's towers and again a related question on that is Indus is starting off with three markets in Africa but is it safe to say that over a period of time and maybe given or, let us say, whatever feedback you get from your first three markets that over a period of time, Indus should logically also expand to the remaining markets where you operate in Africa?

Gopal Vittal – Executive Vice Chairman, Bharti Airtel Limited

Soumen, go ahead.

Soumen Ray – Group Chief Financial Officer, Bharti Airtel Limited and Director, Bharti Hexacom Limited

Ya, so Manish, first of all, yes, there are a lot of benefits on Indus going into Africa. If you see the Africa tower co. industry, very high costs, very high rentals and so on and so forth. Indus presents a very viable alternative to the current players because they bring the low cost architecture, which has been developed in India, they replicate that, also whatever improvements, whether it is on construction, whether it is on digitization, whether it is on energy management, the observability of the performance of the towers, everything gets immediately replicated to Africa from day one, so it is certainly better for Airtel Africa in terms of opex performance, both on rentals, IP fees as well as, possibly, even on energy and the sheer observability which will tell them to get more efficient. About getting into more countries, that is a future thing I cannot comment, but if this goes well and remember, it is a very lean structure. Indus is not building a whole organizational setup they are running it very lean with remote monitoring, so if that works, why not to some of the markets as well, but as of now we are focusing on getting it right on these three markets, but it is a very, very exciting opportunity.

Manish Adukia – Goldman Sachs

Thank you for answering my questions. All the best.

Vaidehi Sharma – Moderator

The next question comes from Pranav Kshatriya. Mr. Kshatriya, you may please unmute your side, introduce yourself and ask your question now.

Pranav Kshatriya – Emkay Global Financial Services

This is Pranav Kshatriya from Emkay Global. I have three questions. First question is your commentary about FWA, wherein you said that increased memory prices are, sort of, impacting the unit economics of that business. So, memory/chip prices have been pretty high and they might continue to be so whereas we are seeing the competitions of expanding, can you quantify how much is the impact of the customer acquisition because of chip prices going up and would you, sort of, take this pause for the memory prices to correct or you want to react, if the competition is doing more, you might want to spend more and get the customers? The second question is on the international roaming. In the previous quarter you hinted that West Asia crisis led to certain decline in the international roaming, how that has trended and is it normalized in this quarter or there should be some improvement, which can happen in the next quarter also because of that? My third question is regarding, Shashwat, your comment on the AI, you said that you are using an endpoint device, which does inferencing locally does that mean that you have developed some sort of small language model which is run on the field engineer's device and they work for the inferencing accordingly? Those are my three questions. Thank you.

Shashwat Sharma - Managing Director and Chief Executive Officer (Airtel India), Bharti Airtel Limited

So, I think first of all, on this AI piece and international roaming there are straightforward answers. I think yes, on the AI piece, we are putting a small language model which works on the endpoint device of the engineer which runs on a regular handset, and this is a breakthrough of engineering team, which we are using in house. On international roaming, we are seeing improvement, I think, obviously from previous quarter, we have started seeing some repair improvement of international travel. Nothing more to report there beyond this. On FWA, I do want to call out that the customer acquisition number and memory prices are, in a way, we have to look at it separately because the numbers you are seeing is linked to the correction of quality of acquisition and the acquisition prices that we have. It is also coincided with a phase where memory prices have gone up and therefore, we are finding it much better to run one, fiber has much better economics, lesser churn, and lesser cost. The second is you have on FWA and we need to actually look at redesigning, so that unit economics of this also works better. So, I think there is a plethora of work going on to get the economics right, but I am just saying, we should not correlate memory prices to the net adds number.

Pranav Kshatriya - Emkay Global Financial Services

Just to follow up on that, does that mean that the impact is on FWA, and you know the fiber rollout does not really get impacted because fiber also requires some of those memory chips and you know?

Gopal Vittal – Executive Vice Chairman, Bharti Airtel Limited

Let me just come in here, Pranav. I think we are very consistent that, for us, the first port of call is fiber. We have said this for the last few years, like fiber has, actually, greater longevity, greater permanence, concurrency, uplink and downlink work, the churn tends to be lower because it just works brilliantly right and that is, like, long term. Fiber is the best place to go. Second point to make is, the market is fundamentally in 400 cities right, and almost 95% odd of the market is in 400 cities. In these 400 cities, we are there with fiber. So, we are actually doubling down on fiber and the memory prices that have gone up on the fiber side with copper and a little bit on this router is actually modest and we are fine to absorb that into one. On fixed wireless access, there are two challenges. One is, installing it in the wrong place actually leads to problems. So, you then have poor experience. Installing it with poor quality of acquisition leads to a double whammy because now you have to run around collecting that box back rather than actually like putting it in the right place and sustaining the business. So, for a variety of reasons, we have decided to pivot to fiber and make sure that fixed wireless access only goes where fiber is not accessible. That is really the reason that there has been a slowdown in the fixed wireless side of the business which, as we pivot to fiber, and get FWA into the right locations, we are seeing momentum come back. I think that is really the bottom-line on this and just to add to what Shashwat said on the endpoint piece, fundamentally what is happening is we were spending, let us say Rs.30-35 Crores on these workloads being run on the Cloud. Now that it is being done at the device, through the small language model on the device itself, the cost has gone down to zero, so I think it is a very big breakthrough and we feel that actually this can be extended into our stores and many other areas. So, that is really an additional color I wanted to provide.

Pranav Kshatriya - Emkay Global Financial Services

That is excellent. Thank you so much for comprehensive answers and wish you all the very best. Thank you.

Vaidehi Sharma – Moderator

Thank you very much, everyone. I would now like to remind the participants to kindly stay connected on the call for the next session on Bharti Hexacom. I would now like to pass over to Gopal for his closing remarks on Bharti Airtel.

Gopal Vittal – Executive Vice Chairman, Bharti Airtel Limited

Well, thank you very much. Thank you for all the questions and look forward to seeing you again in the next quarter.

Vaidehi Sharma – Moderator

Thank you very much, Gopal. With this, I would now like to hand over the call to Mr. Soumen Ray for his opening remarks on Bharti Hexacom.

Soumen Ray – Group Chief Financial Officer, Bharti Airtel Limited and Director, Bharti Hexacom Limited

Thank you, Vaidehi. Good afternoon, everyone. Welcome to the Bharti Hexacom Q1 FY2027 earnings call. I have with me, Karthik and Naval on the call. Let me start with a quick update of our Q1 performance. We delivered another quarter of strong performance with revenue at Rs.2510 Crores growing 4% sequentially. EBITDAaL for the quarter came in at about Rs.1210 Crores with a margin of 48.2%. We ended the quarter with mobile customer base of 29 million with net customer additions for the quarter coming in at about 210,000. Smartphone customer additions were strong at 344,000. ARPU for the quarter was 259. We have benefited from one extra day as well. Our homes, office and other businesses continue to see strong momentum with net adds of 75k resulting in revenue growth about 8% sequentially. Our capex is directed towards 5G densification, network modernization and growing our homes and IPTV business. Our operating free cash generation, which is EBITDAaL minus capex, came in at about Rs.830 Crores. Balance sheet remains robust with the net debt excluding leases at about Rs.960 Crores and net debt excluding leases to EBITDAaL ratio improving to 0.2. That was the brief update of Q1. I would now hand over to Vaidehi for the questions. Over to you, Vaidehi.

Vaidehi Sharma – Moderator

Thank you, Soumen. With this, we will now begin the Q&A interactive session. Due to time constraints, we would request if you could limit the number of questions to two per participant to enable more participation. Interested participants please may click on raise hand option on the Zoom application to join the Q&A queue. With this, the first question comes from Mr. Vivekanand Subbaraman. Mr. Subbaraman, you may please unmute your side, introduce yourself and ask your question now.

Vivekanand Subbaraman – Ambit Capital

Hi, this is Vivekanand from Ambit. Further building on Gopal's commentary with respect to the relevant FWA or FTTH homes market being 400 cities, how many cities fall in the circles of Bharti Hexacom and what is the kind of opportunity in terms of absolute number of homes that you see in Hexacom? That is the first one. The second one, Airtel seems to be stepping up its capex in areas like data centers, which is an opportunity that is unavailable for BHL, so, are there any areas where you think you can reinvest capital so that you can achieve improved revenue growth versus the industry more from a strategic, three to four years standpoint? Thank you very much.

Soumen Ray – Group Chief Financial Officer, Bharti Airtel Limited and Director, Bharti Hexacom Limited

Thanks, Vivekanand. How many cities of that 400 cities are in these two circles, we can get back to you on that. My sense it would be close to about 15 or 17 of them, but what is important is to understand the demographics of these two circles. Northeast is a circle which is large and a difficult terrain. Rajasthan which is a little more developed than some parts of Northeast possibly is also a difficult terrain. So, reaching through a combination of wireless and wired line is a very good strategy for these two circles as opposed to a much more developed circle like, let us say, Maharashtra or Tamil Nadu. So, we will be a little more nuanced in these two circles as far as the places where we need to go. For example, a place like Shillong which is a part of our portfolio is an extremely developed and it represents all the attributes of aspirational population, reasonable demographic profile and so on and so forth. So, you have to nuance it in that way. Coming to your question of capex, I think 5G densification is a big objective that is there. Fiberization continues to remain a big job to be done. So, my sense is yes, we do not have the large B2B play, which the parent entity has in terms of Cloud or more importantly data center, but I think data center is a separate entity, it is just that it gets consolidated in the overall India. Data center also does not apply to the telco organization. So that is a different entity, a different requirement. Like it was mentioned in the previous call, whatever is the ask of the business to maintain a healthy competitive and profitable growth, that will be attended to. As of now we seem to be in a very comfortable position in terms of net debt to EBITDA. We would like to be there, but if there is a call we will certainly spend adequate money to drive competitive and profitable growth

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Vivekanand Subbaraman –Ambit Capital

Sure. Thanks, Soumen, for your answers. Just one follow up. Is the competitive landscape as fierce in Rajasthan and Northeast, especially when it comes to user acquisition for the homes business as it is for the rest of Airtel, or is it pretty different?

Soumen Ray – Group Chief Financial Officer, Bharti Airtel Limited and Director, Bharti Hexacom Limited

So, to give you a sense, in Rajasthan it is extremely competitive. First of all, we have a listed entity, which is why we are having this conversation. The way you look at this business is there are national players who operate in these 22 telecom circles, so there is no difference unless a particular operator decides strategically that the circle is not so relevant, that is not the case. So, the competitive intensity is as much in these circles as it is in any other circle. Having said that, I think, in Northeast we have a very, very comfortable position in terms of competitively being placed well. Rajasthan is a far more competitively heated market, but if you talk about intensity in the ground on customer acquisition, on delivering very high-quality network experience, it is no different from any other circle. It is just that the terrains are a little different so the solutions are a little unique especially in Northeast.

Vivekanand Subbaraman - Analyst, Ambit Capital

All right. Thank you very much for the detailed answers. All the very best.

Soumen Ray – Group Chief Financial Officer, Bharti Airtel Limited and Director, Bharti Hexacom Limited

Thank you.

Vaidehi Sharma – Moderator

The next question comes from Mr. Rishabh Dhancholia. Mr. Dhancholia, you may please unmute your side, introduce yourself and ask your question now.

Rishabh Dhancholia –HSBC

Hi, this is Rishabh Dhancholia from HSBC. Thanks to the management for the opportunity. Firstly, on the mobile side, the mobile subscriber net add trends have been relatively weaker this quarter when you compared to historical trends of the Company and also the sequential growth witnessed in Pan India Numbers, wanted to understand what drove the same and is there something circle specific that played out this quarter? Also, just a follow up on the home broadband, given the changes in acquisition policy and the rising chipset, has management relatively revised its midterm outlook on the home broadband segment growth internally, any revisions in the internal targets? Thank you.

Soumen Ray – Group Chief Financial Officer, Bharti Airtel Limited and Director, Bharti Hexacom Limited

Thanks, Rishabh. Rishabh, on the mobile, I think if you look sequentially over the last, I do not know, maybe 16 to 20 quarters, you would see a certain seasonality in customer depletions both in the industry as well as in each operating Company. So, I think we will leave at that. We see a higher trend of customer additions towards the second half of the year, which has been a pattern demonstrated over the years. Let me focus a little bit more on your home broadband question. See, home broadband continues to remain a very large opportunity and there is no relenting on trying to seize that opportunity. As was mentioned in the previous call, there are two technologies and we are giving a whole broadband Wi-Fi experience to the customer. We have found out that there are some reasons why we have to become more tighter in the quality of acquisition. So, what you see in this quarter is an effect of a correction in the way we acquire customers. There is no fundamental change either in the assumption of how big is the market to how we need to gain share and three, how we need to price our offerings and give converged solutions. Either it is home broadband with content or it is fixed and mobile convergence, so underlying, nothing absolutely has changed. You see a change in this quarter and as mentioned, you will, again, see unwinding of this change because we have already moved into this. This was the quarter that the change happened and hence it shows in the numbers, but I must also hasten to add there are also a lot of positive trends that we are seeing. For example, the postpaid penetration has been very low in this quarter. I am coming from the point of view of quality customers. Postpaid penetration has not been very good and we are seeing those small numbers, but we are seeing a steady growth in the number of postpaid customers getting added quarter-on-quarter. So, the fundamental underlying principle of whether it is quality customers, whether it is, how do we scope out the home market and how do we pursue that, nothing underlying has undergone a change. It is just a bit of change in the go to market because of the quality of acquisition.

Rishabh Dhancholia – HSBC

Thank you.

Vaidehi Sharma – Moderator

The next question comes from Mr. Aditya Bansal. Mr. Bansal, you may please unmute your side, introduce yourself and ask your question now.

Aditya Bansal – Motilal Oswal

Thanks, everyone. This is Aditya Bansal from Motilal Oswal. Thanks for taking my question. The first question is around the higher diesel prices. For Hexacom, we are seeing the energy costs are actually lower on YoY basis can you help us understand like what led to this is there some timing difference or like there are certain efficiencies that have been there in the system?

Soumen Ray – Group Chief Financial Officer, Bharti Airtel Limited and Director, Bharti Hexacom Limited

I will hand it over to Karthik to answer that.

Karthikeyan Velu – Group Financial Controller, Bharti Airtel Limited and Chief Financial Officer, Bharti Hexacom Limited

Hi, Aditya. Primarily one is about the seasonal impact because of which solar based towers are giving us some benefit and there are also some one offs in the quarter, so on a trend basis, it is more or less trending in the same direction.

Aditya Bansal – Motilal Oswal

There is no timing lag as such because diesel prices have gone up partly for the quarter?

Soumen Ray – Group Chief Financial Officer, Bharti Airtel Limited and Director, Bharti Hexacom Limited

The diesel terms, that is it is not the full quarter, it is part of the quarter and so on and so forth and you do not empty your tanks completely, so you do have some stocks of diesels lying in the DG sets which run for some time. I do not think we have seen the full impact of diesel in the quarter, but as Karthik mentioned, the seasonality allows for more solar energy generation and we have ramped up our solar sites, which has helped a bit, but underlying sequential trend is more or less planned.

Aditya Bansal – Motilal Oswal

Second one is more of a clarification. Just wanted to check if you are home broadband addition number that you report, does it also includes the IPTV additions in Hexacom and if yes, can you provide the underlying trend there is it similar to Airtel?

Soumen Ray – Group Chief Financial Officer, Bharti Airtel Limited and Director, Bharti Hexacom Limited

Yes. So, in the home broadband that we sell, there are two kinds of offerings. There is one which is including content and we also have an offering which is excluding content. So based on whatever is bought, because there is no separate segment of digital TV in this Company, everything is bundled into home broadband but the customer is not counted twice.

Aditya Bansal – Motilal Oswal

In terms of the trends, so we are seeing, like Hexacom share and overall home broadband for Airtel that has increased, so whether the calibration that we have done on FWA, does it apply also to Hexacom or it has been at the lower quantum because, still, healthy trends in terms of Hexacom on the addition there?

Soumen Ray – Group Chief Financial Officer, Bharti Airtel Limited and Director, Bharti Hexacom Limited

Various parts of the market behave differently based on the quality of acquisition, so the impact of that has been seen possibly a little less, but secularly, what we are doing is consistent across the country. We are working towards improving our quality of acquisition and hence you may have seen some percentage change in contribution but, hopefully in next quarter and the quarter after, everybody should be growing at old rates.

Aditya Bansal – Motilal Oswal

Thanks a lot, Soumen. Thank you.

Transcript of Bharti Airtel Limited and Bharti Hexacom Limited Q1 ended June 30, 2026 Earnings Webinar

Soumen Ray – Group Chief Financial Officer, Bharti Airtel Limited and Director, Bharti Hexacom Limited

Thank you.

Vaidehi Sharma – Moderator

The next question comes from Sanjesh Jain. Mr. Jain, you may please unmute your side, introduce yourself and ask your question now.

Sanjesh Jain – ICICI Securities

Thanks Soumen, for taking my question. First, on the depreciation there was a sharp jump sequentially, 4.9% quarter-on-quarter, any particular reason for that sharp increase in the depreciation? That is number one. Number two, on the EBIT margin for the home segment that tends to be negative or immaterial, when should we see revenue translating into a profit growth in the home segment for Hexacom?

Soumen Ray – Group Chief Financial Officer, Bharti Airtel Limited and Director, Bharti Hexacom Limited

Well, thanks Sanjesh. The depreciation that you see a little higher is, first of all, there is one day extra, so you see a little more. Also, the IPTV rollout has led to some increasing depreciation of Hexacom. Coming to EBIT margin, see, whenever we start CPE based business, until we reach a critical mass, there are certain costs which do not get leveraged. I cannot give you a number as to when or a forecast as to when it will become positive, but you can rest assured that the unit economics is no different. It is just that, once we get into a reasonable size and scale, this will naturally turn positive. It is a small number, so it does not disturb the overall trajectory of Hexacom, which is a good thing. We are able to build the category without impacting on the overall profitability of the entity. Underlying unit economics is the same as any other player.

Sanjesh Jain – ICICI Securities

Got it and just one add on to that. We pay fiber rental and hence the profitability in home service for Hexacom will always be slightly inferior to Bharti Airtel which counts it as asset and we count it as an operating cost, will that be a right understanding?

Soumen Ray – Group Chief Financial Officer, Bharti Airtel Limited and Director, Bharti Hexacom Limited

Well, it is a reasonably right understanding, but at the EBIT level, you have depreciation of the fiber also coming in, so I think, if you look at EBIT, it is not very different from one or the other.

Sanjesh Jain – ICICI Securities

That is clear. Thanks, Soumen. Thanks for answering all those questions and best of luck for the coming quarters.

Vaidehi Sharma – Moderator

Thank you, everyone. Now I would like Soumen to give his closing remarks for Bharti Hexacom.

Soumen Ray – Group Chief Financial Officer, Bharti Airtel Limited and Director, Bharti Hexacom Limited

Thanks a lot for all of you for joining the call for Q1. We had a good quarter. Look forward to meeting you again for the Q2 results. Thank you.

Vaidehi Sharma – Moderator

Thank you, everyone for joining us today. Recording of this webinar will be available on our Company website. Thank you and have a great day ahead. Bye.
