

Financial Capital



SDGs impacted



Goal 8

Decent work and Economic Development

Financial Capital is the backbone of every business and at Airtel, our emphasis remains on sustainable revenue growth, cost optimisation, prudent capital allocation and robust operating cashflow generation. Our investments in network and infrastructure are made with the primary objective of providing exemplary services to our customer base. Customer experience and stakeholder value creation continue to remain two key defining objectives of our business operations.

Highlights for Financial Year 2021-22

₹706,419 Mn

Revenue

9.8%

Revenue Growth (Y-o-Y)

50.4%

EBITDA Margin

₹(36,250) Mn

Profit After Tax

2.9 x

Net Debt to EBITDA

₹4,303 Bn

Market Capitalisation (as on March 31, 2022)

Dividend

(Subject to the approval of shareholders at ensuing Annual General Meeting)

₹3

per fully paid-up equity share

₹0.75

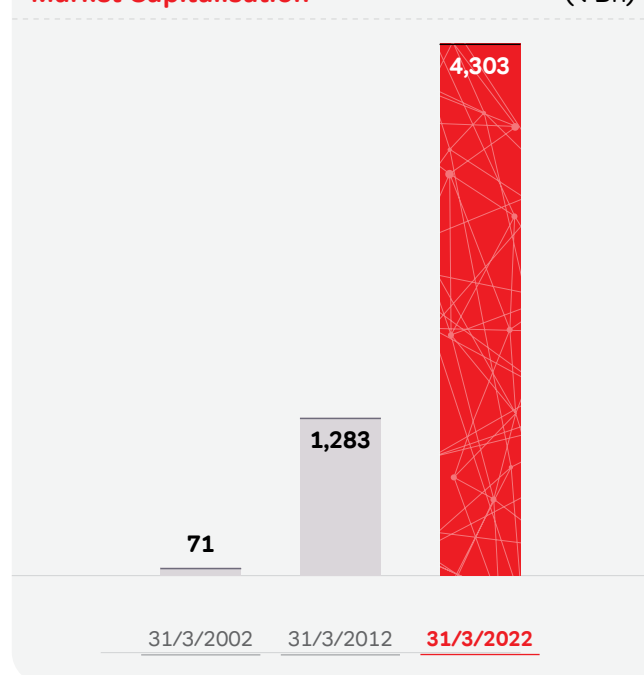
per partly paid-up equity share

Shareholder value creation

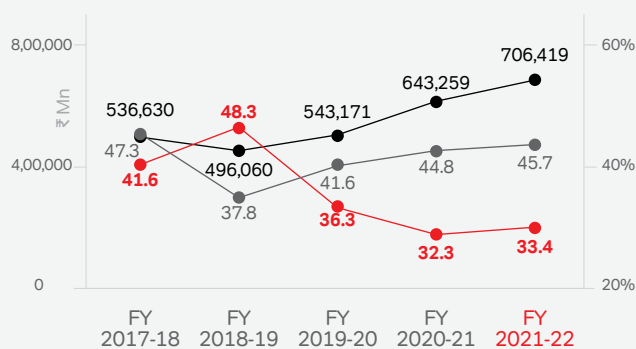
One of the key drivers for us has been the continued stakeholder trust in our business model leading to our growth story. Due to our strong operational and financial performance year-on-year, our market capitalisation has grown from ₹71 Bn as on March 31, 2002 to ₹4,303 Bn as on March 31, 2022, creating significant wealth for the shareholders:

Market Capitalisation

(₹ Bn)



Airtel's three-line model for driving value creation



● Total Revenue on Standalone Basis (₹ Mn)

● Opex Productivity (%)

● Capex Productivity (%)

Opex Productivity: Operating expenses / Revenue

Capex Productivity: Revenue / Cumulative Capex



Strong financial performance on the back of 4G customer additions and tariff interventions in FY 2021-22

Continued focus on high value quality customer, 2G to 4G upgrades and timely pricing interventions across all price points have resulted in strong 4G net additions and robust revenue growth in our Mobile Services business during the year. This was well supported by strong customer additions to our Homes Services and continued acceleration in our Airtel B2B segment.

A broad-based growth led by each of the above segments translated into the highest ever revenue for the Company at ₹706,419 Mn, a 9.8% jump from ₹643,259 Mn last year.

A well-invested network along with continued rigor in our 'War on Waste' program led to a strong operating leverage in the business with the revenue growth, thereby improving EBITDA margins from 44.5% last year to 50.4% this year, an improvement of 590 bps.

Capex investment

India has already entered the Digital decade and the upcoming 5G networks will further transform our lives through multiple use cases including but not limited to advanced healthcare, smart factory, immersive video experience and Virtual Reality. Post becoming the first telecom operator in India to demonstrate 5G over a live network last year, this year we became the first operator in India to demonstrate cloud gaming experience on 5G and conduct 5G rural trial and a trial in 700 Mhz band. We will continue to invest in cutting-edge technologies to improve our services and strengthen our network infrastructure.

Strengthening the Balance Sheet

While delivering on a strong operational and financial performance, we continue to build a robust Balance Sheet and follow a prudent capital allocation. During the year, we announced a capital raising of about ₹209,874 Mn from rights issue with 25% money already received in form of application money.

In addition, we announced induction of Google as a strategic equity partner where it will be investing upto US\$ 1 Bn as part of its 'Google for India Digitization Fund'.

We also pre-paid around ₹243,336 Mn to the Department of Telecommunications, Government of India (DoT) towards deferred liabilities pertaining to spectrum. These liabilities carried an interest rate of 10% and were paid off through a combination of strong free cash generated by business, equity proceeds and significantly lower cost debt of similar tenure.

₹209,874 Mn

Capital raise announced via Rights Issue

US\$ 1 Bn

Proposed Investment by Google

₹243,336 Mn

Pre-payment to DoT

Upgrade in credit rating

During the year, CRISIL Ratings has upgraded its long-term ratings on bank facilities and debt program of Airtel from 'CRISIL AA/Stable' to 'CRISIL AA+/Stable' and has reaffirmed the 'CRISIL A1+' rating on the commercial paper program.

Long-term credit rating upgrade to CRISIL AA+/Stable

Debt reduction

Initiatives around debt reduction along with strong EBITDA expansion have led to a significant reduction in Net Debt to EBITDA ratio from 6.5x in FY 2018-19 to 2.9x in FY 2021-22.

We continue to work towards creating long-term value for our stakeholders by providing superior Digital services, deleveraging the Balance Sheet, optimising our cost of capital and improving operating cashflows to support the capital expenditure required towards building a Digital India.

Net Debt to EBITDA (x)

