

MARKET RESEARCH

# REPORT



Target ₹ 750



LIQUID TALK

Prepared on:  
BHARTI AIRTEL LTD.



## MARKET ANALYSIS REPORT

### Bharti Airtel LTD.

Call- Hold

Target- ₹ 750

Target Period- 6 months

Incorporation date- 7 July, 1995

Public Issue Date-28/01/2002

#### **Business Overview-**

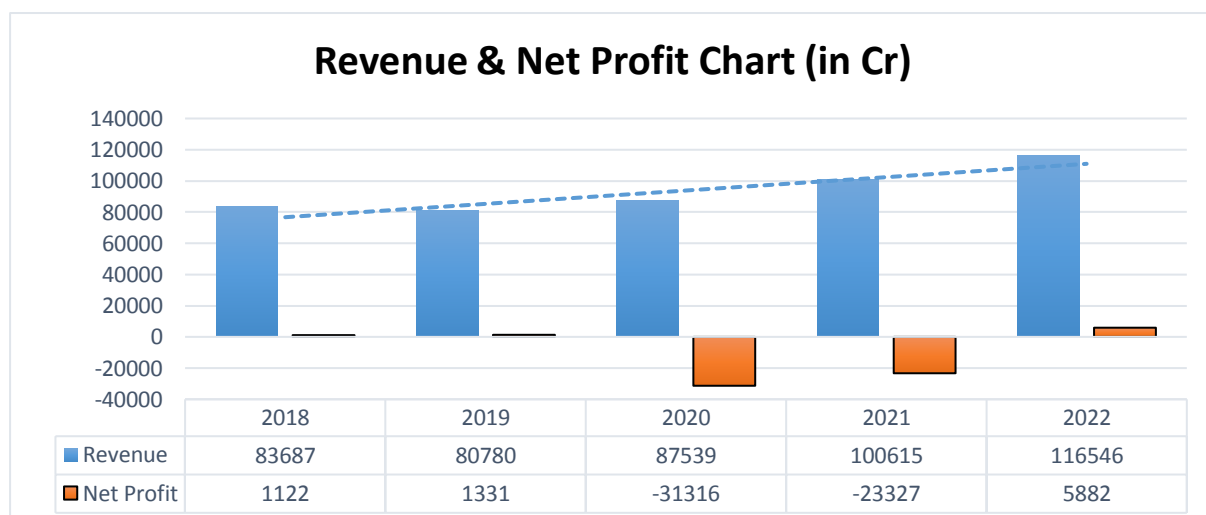
Bharti Airtel is amongst the largest Indian consumer brands emerging out of India to become a global communication service and solutions provider with more than 47 Crore customers spread across 18 countries. From providing mobile connectivity to broadband, Airtel's retail portfolio also includes music and video streaming services, payments and financial services, cloud storage and data center services, cybersecurity and more.

The company's objective is to grow in market share, increase its revenue and reduce cost. By focusing on a customer by providing an exceptional experience, Airtel aims to retain existing customers while continuing to add more customers.

Airtel has shown consistent growth over the years with a CAGR of 13% for last 3 years. However, Airtel's growth was hampered for the last 3 years with the entry of a new competitor providing services at a rate cheaper than the cost which ended up disrupting the market. To protect their market share existing companies had to match their prices resulting in losses.

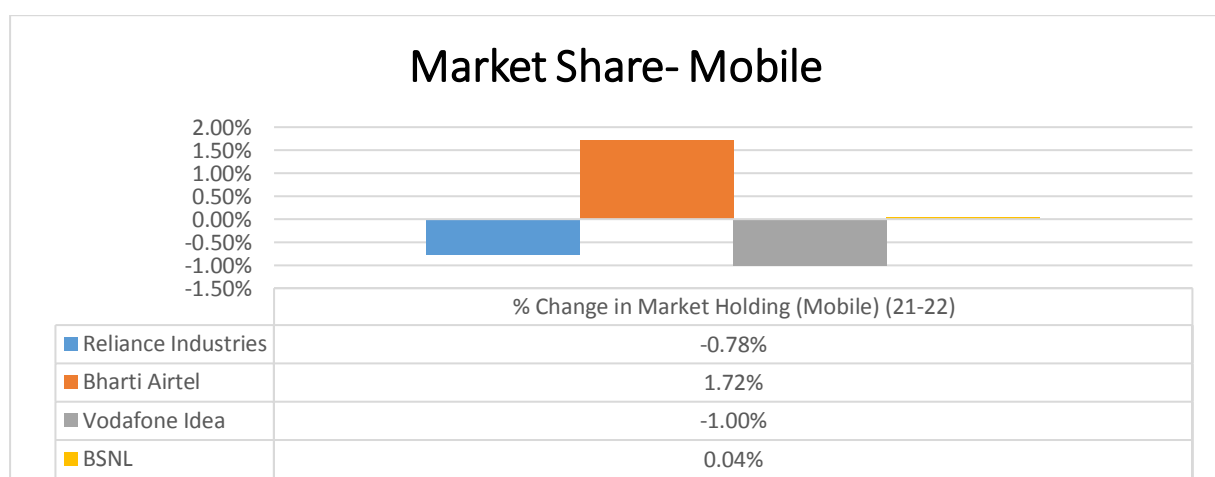
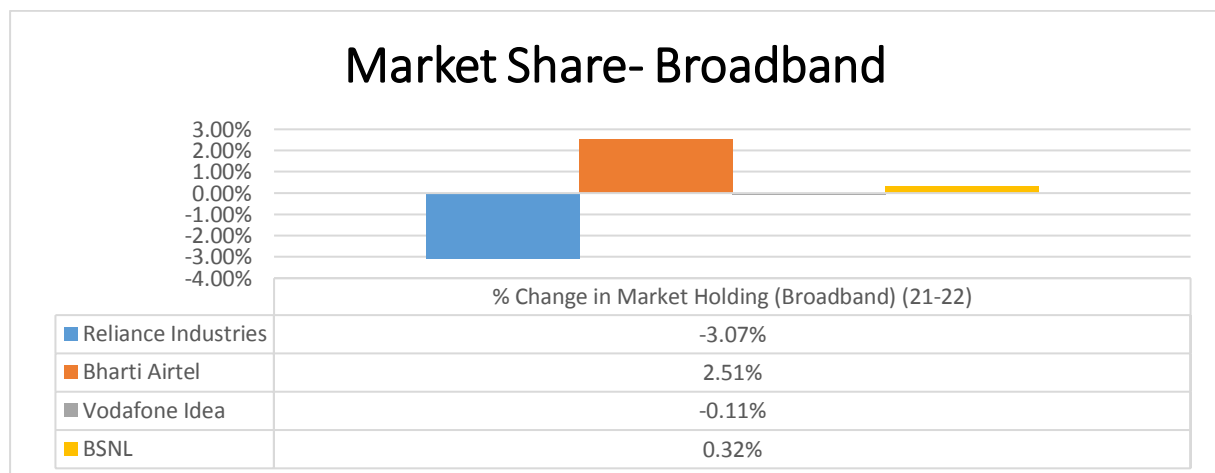
The communication sector is comparatively a stable sector as they have moderate correlation with business cycles. The share price of Airtel has been steady during the volatile market conditions when several shares have hit new 52 week lows.

Airtel shares have not been completely immune to market condition, with material costs increasing and competition increasing. The company has potential growth opportunities by increasing market penetration and opportunities in the upcoming 5G spectrum.



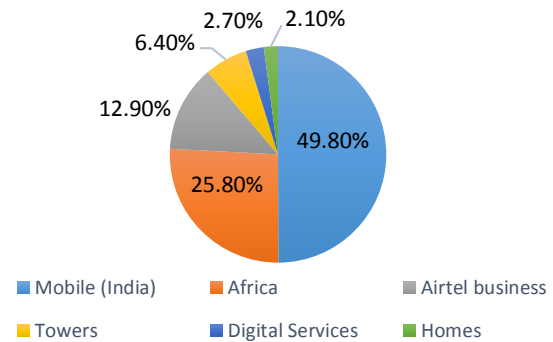
## Key information to consider before investing-

- Has a dominant position in the telecom sector of India and Africa
- Has significantly increased revenue with a YoY growth of 16%
- Customer base of 47 crore with 11.4% YoY Growth, with Airtel Mobile growing by 13.3% YoY, Home Services having a 27% YoY growth and Digital TV services experiencing a 6.6% YoY Growth
- Has consistently shown growth in the Indian market
- To fight recent losses, Airtel increased focus on customer service & performance
- With the upcoming 5G Spectrum Allocation, Airtel is one of the 2 likely winners of the auction. Offering great growth opportunities
- Heavy Infrastructural investment in the past years to support companies growth
- Airtel has already launched its 5G ready platform 'Airtel IoT' showing its readiness for the emerging 5G network
- Airtel is aiming for sustainability by reducing its dependence on fossil fuels and switching to sustainable choices of energy
- Despite posting losses, Airtel continued to add more customers promising better returns in the long run
- Airtel has diversified its operation making it a more stable to the market uncertainties

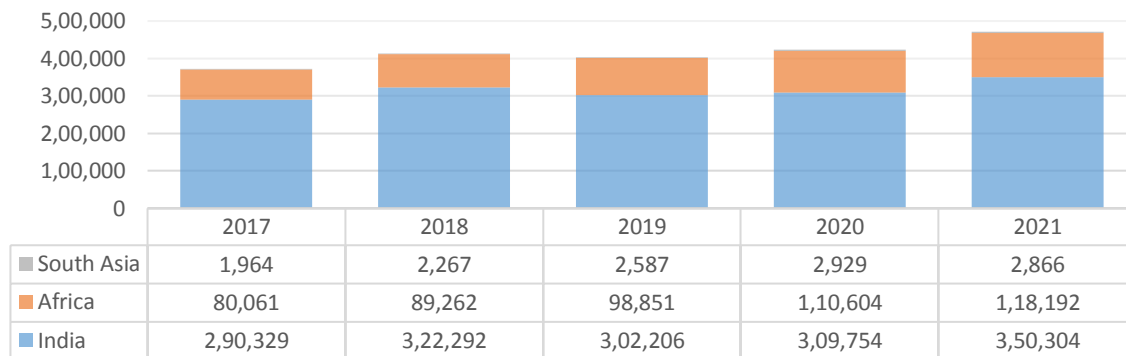


- Has a CAGR of 23% for the last 3 years
- Airtel has a negative net profit margin but compared to its peers it has better margins. This shows Airtel will likely improve its net profit margins when the market stabilizes
- Having a global presence also implies that Airtel is exposed to currency fluctuations

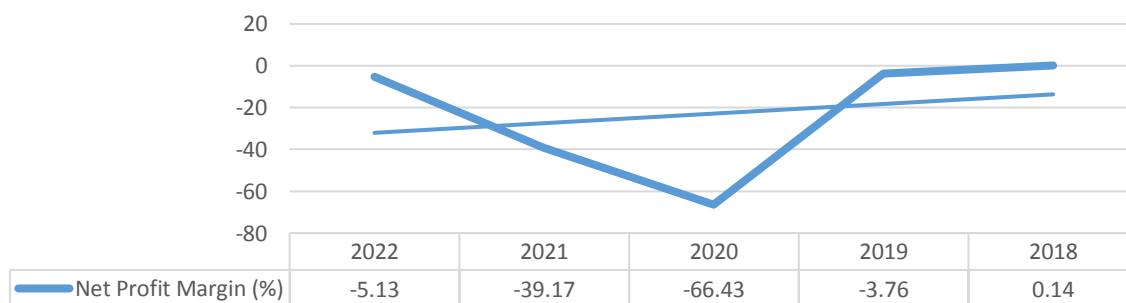
### Business Revenue Share



### CUSTOMER BASE GROWTH (000'S)



### Net Profit Margin (%)



## References

Bharti Airtel. (2021). *Integrated Report and Annual Financial Statements 2020-21*. bseindia.

Moneycontrol. (2022). *Tata Steel Ltd*. Retrieved from Moneycontrol:

<https://www.moneycontrol.com/india/stockpricequote/ironsteel/tatasteel/TIS>