15th May 2026

Bharti Airtel Ltd

BSE: 532454 | NSE: BHARTIARTL

Recommendation	Time Period	Current Price	Target Price	Potential Upside
BUY	**12 months**	**1,912/-**	**2,207/-**	**15.4%**

Bharti Airtel Ltd (BHARTIARTL) is the largest telecom company in India and a leading global communications company, providing connectivity and digital services across India and Africa. Its core business is mobile services which drives the majority of its revenue. In addition, Airtel operates a growing home broadband (fiber) segment, providing high-speed internet and IPTV services to households, and a strong enterprise (B2B) business, offering connectivity, cloud, and digital solutions to companies.

Key investment rationale:

- **Strong 4QFY26 performance:** The company during the quarter delivered strong performance with Revenue/EBITDA/Adj. PAT growing 15.7%/16.9%/38.7% YoY to Rs 55,383 cr/ Rs 32,038 cr/ Rs 7,245 cr respectively. Growth was driven by core telecom premiumization, expansion in broadband (homes), evolution of enterprise services, and scaling of adjacencies such as data centers, financial services, and cloud. The Africa business continues to provide a structurally strong growth runway, supported by low penetration and favourable demographics.
- **Scaling up holding in African subsidiary:** The board approved issuance of ~146.8 million preferential shares to ICIL in exchange for up to 16.31% stake in Airtel Africa plc. This reflects a strategic and capital-efficient move, increasing exposure to a high-growth market without cash outflow. Management's rationale is anchored in Africa's low tele-density, low smartphone penetration, and strong demographics, alongside growth in mobile financial services. The transaction is value accretive, with a clear intent to increase ownership further over time.
- **ARPU declined but expects gradual recovery going ahead**: ARPU stood at Rs 257, growing ~4.9% YoY but declining ~1% QoQ. Pressures stem from lower international roaming (geopolitics), rising handset prices impacting upgrades, and mix shifts towards lower ARPU users. The core issue remains India's "broken pricing architecture," where unlimited data plans cap revenue per user. Going forward, management expects gradual ARPU improvement through postpaid growth, higher data usage, and continued smartphone upgrades, though a meaningful step-up would require pricing or tariff changes.
- **Capex update**: Airtel maintains a disciplined capital allocation approach, with capex expected to remain broadly stable. The mix is shifting toward fiber rollout, data centers, and digital infrastructure, while core mobile capex is moderating. Priorities remain on core investment, balance sheet strength, scaling adjacencies and shareholder returns
- **Valuation and outlook**: At the current price, the stock trades at ~28.9x/ 21.7x FY27E/ FY28E Bloomberg consensus earnings. Performance remains strong, and the outlook is positive, supported by strong cash flows, diversified growth drivers, and digital opportunities.

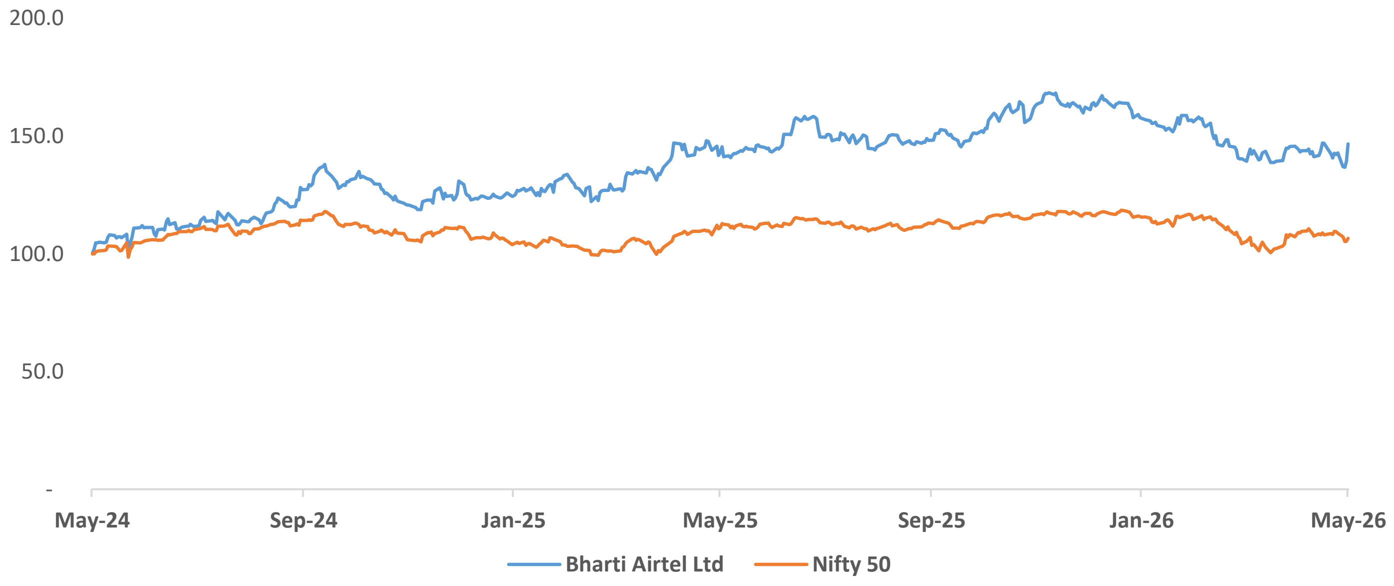
Key risks: Regularity risks; Oligopoly market provide little headroom for aggressive tariff hikes; Capex heavy model

Financial Summary (Consolidated)

Particulars (Rs cr)	FY25A	FY26A	FY27E	FY28E
Net Sales	1,72,985.2	2,10,972.8	2,40,923.6	2,69,327.9
EBITDA	93,296.1	1,21,267.6	1,37,704.6	1,55,209.3
Adj. Net Profit	33,556.1	26,695.2	39,034.6	50,392.3
EBITDA Margin (%)	53.9	57.5	57.2	57.6
RoE (%)	34.3	20.3	25.0	27.9
P/E (x)	33.1	41.7	29.8	23.0
EV/EBITDA (x)	14.5	11.1	9.8	8.7
EV/Subscriber (Rs)	22,867.9	20,277.0	19,877.6	19,471.9

Source: Bloomberg, SBI Securities Research

Stock Performance (2-Years)



Source: Bloomberg, SSL Research

Recommendation History

Date	Stock Price	Target Price	Recommendation	Status
-	-	-	-	-

SBI Securities
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SBICAP Securities Limited
(CIN): U65999MH2005PLC155485
SEBI Registration No.: Stock Broker: INZ000200032 | DP Registration No.: IN-DP-314-2017| Research Analyst : INH000000602
IRDA : CA0103 | PFRDA Registration No: POP 26092018
Registered & Corporate Office: Marathon Futurex, Unit No. 1201, B-Wing, 12th Floor, N M Joshi Marg,
Mafatlal Mill Compound, Lower Parel East, Mumbai 400013
For any information contact us:
(022) 6854 5555 | E-mail: helpdesk@sbicapsec.com | Web: www.sbisecurities.in

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Name	Qualification	Designation
Sudeep Shah	MMS-Finance	VP- Technical & Derivative Research
Sunny Agrawal	B.E, MBA (Finance)	DVP - Fundamental Research
Rajesh Gupta	PGDBM (Finance), MA (Bus. Eco)	AVP - Fundamental Research
Monica Chauhan	C.A.	Research Analyst - Equity Fundamentals
Harsh Vasa	C.A.	Research Analyst - Equity Fundamentals
Sumeet Shah	B.E., CFA	Research Analyst - Equity Fundamentals
Shubham Purohit	BMS (Finance)	Research Associate - Equity Fundamentals
Vinit Mishra	B.Com	Research Associate - Equity Fundamentals
Gautam Upadhyaya	MBA (Finance)	Research Analyst - Equity Derivatives
Vinayak Gangule	BE (IT)	Research Analyst - Equity Technicals
Ashwin Ramani	B.Com	Research Analyst - Equity Technicals
Sagar Peswani	B.Tech (ECE)	Research Associate - Equity Technicals
Kalpesh Mangade	B.Com	MIS Analyst - Retail Research

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Sunny Agrawal

Sunny Agrawal
DVP – Fundamental Research

Sudeep Shah.

Sudeep Shah
VP – Technical & Derivative Research