

## BHARTI AIRTEL (BHARTI) – BUY

### Company Update

Current Market Price (CMP)

**Rs.517**

Target Price

**Rs.710**

**Our fair value of Rs710 offers upside of 37.33% from current market price.**

### Rationale:

- BHARTI proposed to buyback 20% stake in its DTH arm.
- Special Committee of Directors to renew focus on digital & non-telecom businesses.
- Expect BHARTI to report free cash flow of Rs50,487 cr during FY21-23E period.
- Expect BHARTI to report EPS of Rs11.7 in FY22E as compared to loss in FY21E.
- Value the stock on Sum of the parts (SOTP) & arrive at a fair value of Rs710.

### Company update:

#### **Positives:**

- BHARTI to buyback 20% stake in DTH for cumulative consideration of Rs3,130 cr.
- BHARTI will be able to achieve structural flexibility and ease of implementation.
- BHARTI has 1.79 cr Digital TV customers & 28 lakh home broadband subscribers as of end-3QFY21.

#### **Negatives:**

- BHARTI is expected to report loss in FY21.

[Click here](#)

To read the detailed report dated 18th February 2021. Note: CMP and Valuation may differ due to difference in dates.



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