

Opportune

Exclusively curated opportunities to re-enter fundamentally strong companies at attractive valuations!

BUY – BHARTI AIRTEL (BHARTI)

CMP: ₹694 (Upside Potential: 25.3%) as on 30th May 2022

Fair Value (FV): ₹870 | Time Period: **12 months**

Why Invest?

- An increase in industry ARPUs, improvement in subscriber mix and gains from its several digital initiatives augurs well for the company.
- India wireless business revenues increased 9% qoq and EBITDA increased 12% led by a 9% increase in ARPUs to Rs181.
- Free Cash flow, post lease, interest and spectrum liability payments, improved qoq, but remained negative at –Rs2800 cr versus –Rs10400 cr in Q3FY22.
- BHARTI anticipates saving of Rs1600-1700 cr on an annualized basis on interest costs over the coming quarters driven by repayment of ~Rs24000 cr of government dues and through benefits of other financing activities, which have been undertaken.
- Expect BHARTI to report EPS of Rs25.6 & Rs43.2 in FY23E & FY24E, respectively.
- We value BHARTI on Sum of the parts basis and arrive at a fair value of Rs870.

Maintain BUY with FV: ₹ 870

Read Full Report

This is a synopsis of the Research report issued by Kotak Securities Limited. This is not a comprehensive report and before taking any investment decision we request you to refer the detailed report including disclaimers by clicking here: <https://www.kotaksecurities.com/ksweb/ResearchCall/Fundamental>. Further, the recipient of this material should take their own professional advice before investing.

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