



## IPO INSIGHTS

# bharti

### Bharti Hexacom Limited

**Issue Dates - Opens: 03-04-2024 | Closes: 05-04-2024**

|                 |   |
|-----------------|---|
| <b>IPO Note</b> | <ol style="list-style-type: none"> <li><b>Bharti Hexacom Limited provides fixed-line telephone and broadband services to customers in Rajasthan and North East telecom circles in India.</b></li> <li><b>The Company provides services in states such as Rajasthan and Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland and Tripura.</b></li> </ol> |
| <b>Rating</b>   | <b>★★ (Average)</b>   |

## IPO SNAPSHOT

|                               |                                  |
|-------------------------------|----------------------------------|
| <b>Issue Size</b>             | <b>₹ 4275 Crores</b>             |
| <b>Issue Type</b>             | <b>Book Built Issue IPO</b>      |
| <b>Fresh Issue</b>            | <b>-</b>                         |
| <b>Offer for Sale</b>         | <b>₹ 4275 Crores</b>             |
| <b>Face Value Per Share</b>   | <b>₹ 5</b>                       |
| <b>Price Band Per Share</b>   | <b>₹542 to ₹570</b>              |
| <b>Minimum Lot Size</b>       | <b>26 shares</b>                 |
| <b>Listing On</b>             | <b>BSE, NSE</b>                  |
| <b>Registrar to the Issue</b> | <b>Kfin Technologies Limited</b> |

# IPO SNAPSHOT – Bharti Hexacom Limited

## About the Company

- Incorporated in 1995
- The Company is a communications solutions provider offering consumer mobile services, fixed-line telephone and broadband services to customers in the Rajasthan and the North East telecommunication circles in India.
- They offer their services under the brand 'Airtel'. They have a distinct strategy to premiumise our portfolio by acquiring and retaining quality customers and deliver an experience to them through our omnichannel approach and use of data science.
- They have a gamut of digital offerings to enhance customer engagement and differentiated customised offerings through family and converged plans under Airtel Black proposition, which has resulted in the continuous improvement of their revenue market share.
- They undertake prudent cost optimisation measures to improve our profitability and maintain an efficient capital structure with a comfortable leverage position.
- They continuously invest in network expansion, technology advancement and judicious spectrum investments.
- As of December 31, 2023, they have invested ₹ 206 billion in capital expenditure in their future ready digital infrastructure.
- They also derive significant synergies from our relationship with our Promoter, Airtel, through the expansive digital infrastructure, digital experience and the digital services it provides to its customers.

## Competitive Strengths

- Established Leadership and Large Customer Base in our area of operations
- Presence in Markets with High Growth Potential
- Strong Parentage and Established Brand and Building a Future Ready Network
- Extensive Distribution and Service Network
- Experienced Management Team

## Financials (₹ in Crores)

| Particulars   | 31-3-2021 | 31-3-2022 | 31-03-2023 | Y-o-Y |
|---------------|-----------|-----------|------------|-------|
| Revenue       | 4602.3    | 5405.2    | 6579       | 22%   |
| EBITDA        | 1052.4    | 1814      | 2785.7     | 54%   |
| EBITDA Margin | 22.9%     | 33.6%     | 42.3%      |       |
| PAT           | -1033.9   | 1674.6    | 549.2      | -67%  |
| PAT Margin    | -22.5%    | 31%       | 8.3%       |       |

## Valuation

- Attributing Annualized FY23 Earnings asking P/E = 51.91

## Peers

| Company Name                         | P/E ratio |
|--------------------------------------|-----------|
| <b>Bharti Airtel Limited</b>         | 83.01     |
| <b>Vodafone Idea Limited</b>         | N.A       |
| <b>Reliance Jio Infocomm Limited</b> | N.A       |

Note : P/E ratio is calculated as closing share price as on 28th March,2024.  
NA : Not Applicable

## Promoters

- Bharti Airtel Limited

## Objects of the issue

- The Company will not receive any proceeds from the Offer

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