

# Research Report

## Indus Towers Limited



Prepared By-

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# About

Indus Towers Limited is formed by the merger of Bharti Infratel Limited and Indus Towers. This combined strength makes Indus one of the largest telecom tower companies in the world. Enabling communication for millions of people daily, Indus will continue to provide affordable, high-quality and reliable services for the growing network connectivity needs of India. Indus Towers Limited has over 219,736 towers and 368,588 co-locations (31st March 2024) and a nationwide presence covering all 22 telecom circles. Indus' leading customers are Bharti Airtel (together with Bharti Hexacom), Vodafone Idea Limited and Reliance Jio Infocomm Limited, which are the leading wireless.

## Key Business

- Tower
- Power
- Space
- Smart Cities
- TOC
- Green Technologies

## Synopsis of Financials

- Gross revenues increased by 4.3% year-on-year to ₹73.8 billion.
- Core revenues from rentals grew by 7.0% year-on-year to ₹46.4 billion.
- Reported EBITDA increased by 29.4% year-on-year to ₹45.5 billion, with EBITDA margins up 11.9 percentage points year-on-year to 61.6%.
- Profit after tax grew by 42.9% year-on-year to ₹19.3 billion.

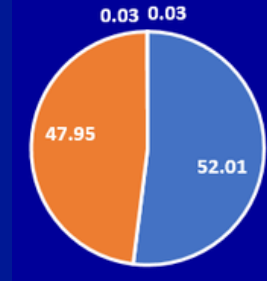
## Stock data (as 23rd August 2024)

Nifty Price	: 24,823.15
52 week High (in Rs.)	: 453
52 week Low (in Rs.)	: 167
Market Cap. (in Crore)	: 1,17,499
NSE Code	: <b>INDUSTOWER</b>

## Stock data



## Shareholding Pattern (March 2024)



- PUBLIC GROUP
- PROMOTER GROUP
- Employee Trust
- Non Promoter-Non Public

## Financial Summary

Particulars	March 2024	March 2023	March 2022
Sales	28,601	28,382	27,717
Sales Growth %	0.77%	2.40%	98.63%
Expenses	14,044	18,713	12,816
Operating Profit	14,557	9,669	14,901
OPM %	51%	34%	54%
Net Profit	6,036	2,040	6,373
EPS in Rs	22.4	7.57	23.65

# Quarterly Results

Particular	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24
Sales	6,765	6,753	7,076	7,132	7,199	7,193	7,383
Expenses	5,602	3,320	3,596	3,711	3,615	3,122	2,879
Operating Profit	1,163	3,433	3,480	3,422	3,584	4,072	4,504
OPM %	17%	51%	49%	48%	50%	57%	61%
Other Income	-403	116	56	97	99	108	56
Interest	354	336	352	246	11	127	408
Depreciation	1,358	1,320	1,374	1,526	1,596	1,564	1,560
Profit before tax	-952	1,893	1,810	1,747	2,076	2,489	2,592
Tax %	-26%	26%	26%	26%	26%	26%	26%
Net Profit	-708	1,399	1,348	1,295	1,540	1,853	1,926

Source: Screener

## Key Ratios

Sr. No.	Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	Change from previous year	Explanation for any change in the ratio by more than 25% as compared to the preceding year
1	Current Ratio	Current assets	Current liabilities	1.03	1.07	(3.25%)	
2	Debt-Equity Ratio	Long term borrowings (+) Short term borrowings	Total equity	0.16	0.22	(28.57%)	Mainly due to increase in total equity due to increase in net profit after tax on account of lesser allowances for doubtful receivables and advances (net)
3	Debt Service Coverage Ratio	Profit before depreciation and amortization, finance costs, finance income, charity and donation, exceptional item and tax (-) other income	Interest cost (+) Interest on lease liabilities (+) and repayments of long term borrowings (+) lease liabilities	2.77	1.62	70.53%	Mainly due to increase in profit before depreciation and amortization, finance cost, finance income, charity and donation and tax due to lesser allowances for doubtful receivables and advances (net)
4	Return on Equity Ratio	Profit after tax	Average (of opening and closing) total equity (i.e. total equity as reduced by investment in subsidiary.	25.08%	9.44%	165.62%	Mainly due to increase in profit after tax due to lesser allowances for doubtful receivables and advances (net)
5	Trade receivables turnover ratio	Revenue from operations	Average (of opening and closing) trade receivables	5.05	4.76	6.18%	
6	Trade payables turnover ratio	Total expenses (-) Allowances for doubtful receivables and advances (-)	Average (of opening and closing) trade payables	6.36	6.27	1.46%	

Source: Annual Report

# Yearly Results

Particulars	March 2024	March 2023	March 2022
Equity Capital	2,695	2,695	2,695
Reserves	24,344	18,415	19,456
Borrowings	20,531	19,185	19,726
Other Liabilities	8,298	6,278	6,091
Total Liabilities	55,868	46,572	47,968
Fixed Assets	39,300	32,384	31,826
CWIP	422	355	179
Investments	3	276	1,652
Other Assets	16,143	13,559	14,311
Total Assets	55,868	46,572	47,968

# Synopsis Quater Results

## Con-Call Q1 FY'24: Key Highlights

### Financial Performance:

- Free cash flow generated was ₹18.7 billion in Q1, attributed to higher collections and lower capex.
- Trade receivables decreased by ₹7.3 billion due to better collections.

### Operational Highlights:

- Added 6,174 macro towers and 6,340 corresponding co-locations in Q1.
- Total macro towers increased by 13.9% year-on-year to 225,910; co-locations increased by 7.8% year-on-year to 374,928.
- Tenancy ratio remains industry-leading at 1.66.
- Focus on maintaining market share and expanding the partner ecosystem through digital solutions.

### Strategic Focus Areas:

- **Market Share:** Continued robust additions of macro towers and co-locations, maintaining a strong order book.
- **Cost Efficiency:** Diesel consumption reduced by 7% year-on-year; expanded renewable energy portfolio with 7,000 solar sites added in Q1.
- **Network Uptime:** Achieved uptime of 99.97% despite severe weather conditions.

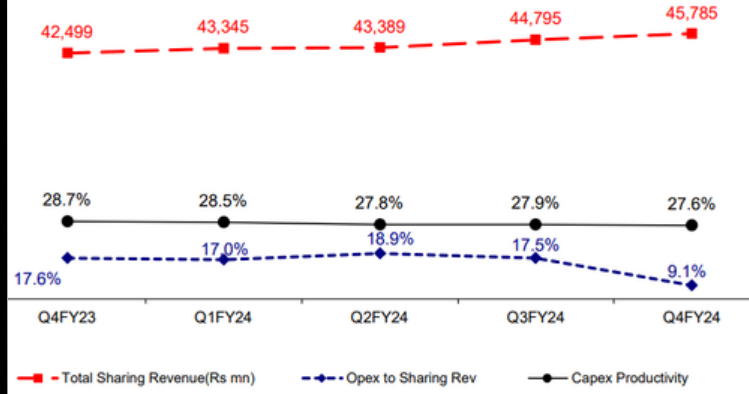
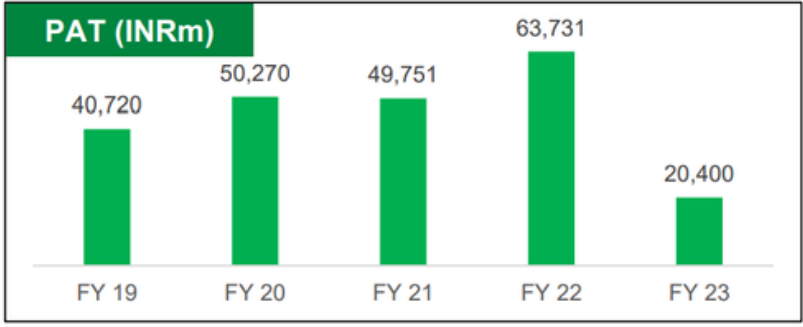
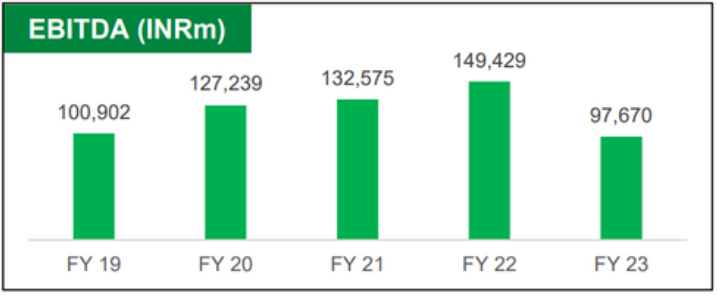
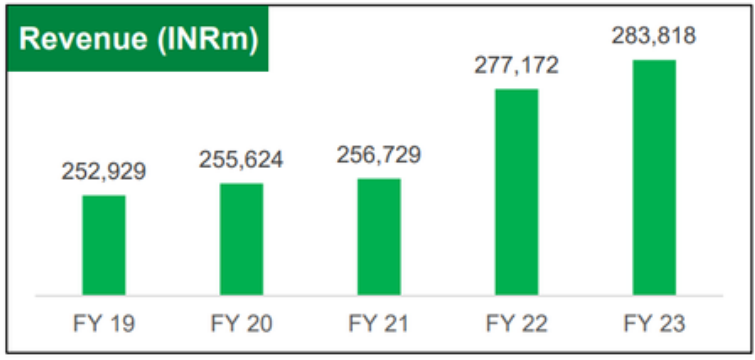
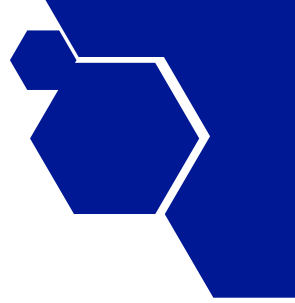
### 5G Rollout Insights:

- Nearly 450,000 5G Base Transceiver Stations (BTS) deployed, indicating rapid adoption of 5G.
- Anticipation of increased demand for small cells to address network decongestion as 5G penetration increases.
- Data consumption growth among top three operators increased by 29% year-on-year.

### Customer Developments:

- Vodafone PLC sold its 18% stake in Indus Towers; Vodafone Idea successfully raised equity funding and announced plans for debt financing.
- Management remains confident in collecting past dues and participating in network expansion with Vodafone Idea.

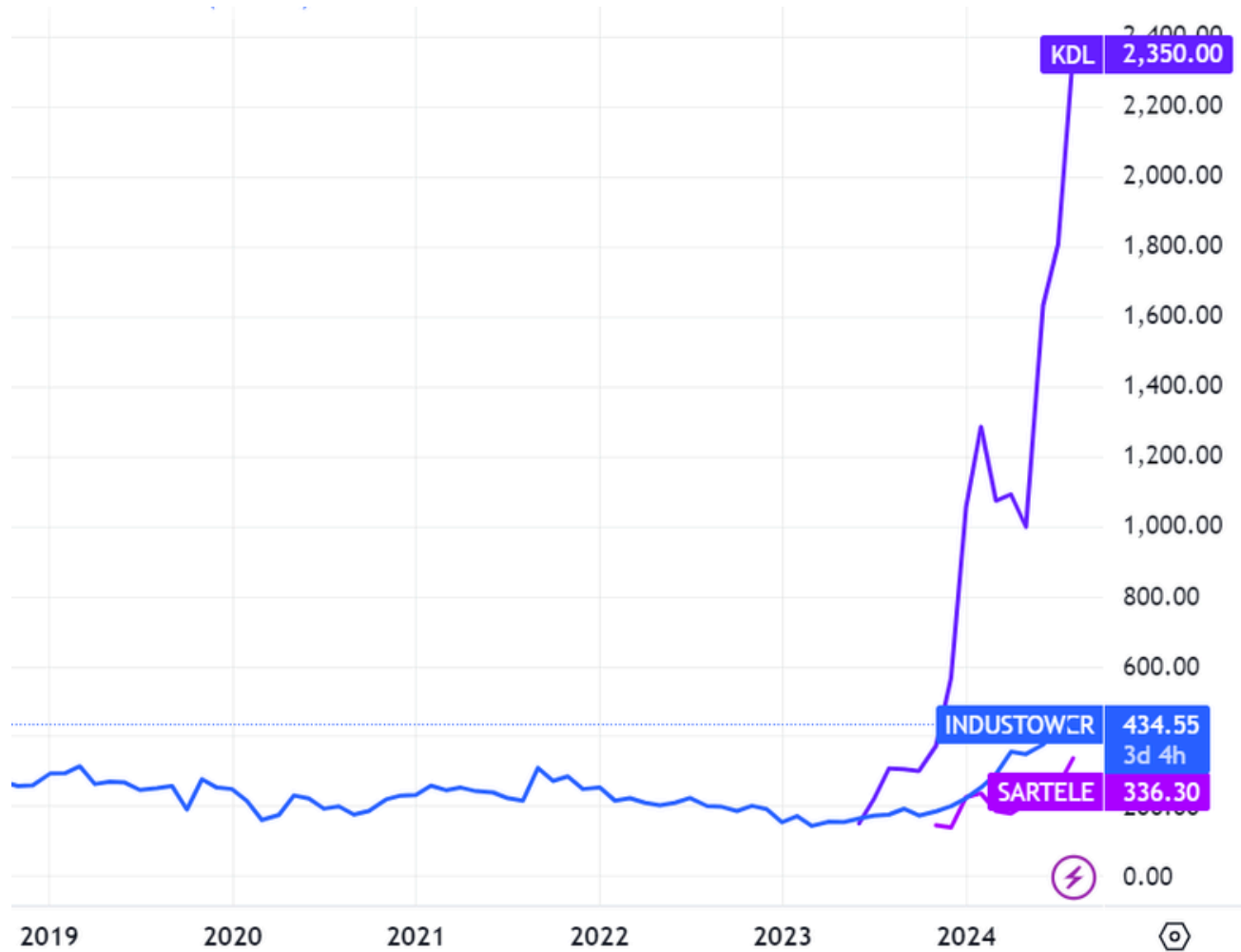
# Revenue Highlights



# Peer Comparison



## Peer Stock Performance (5Y) Indexed



Source: Trading View

## Peer Financial Performance

S.No.	Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	NP Qtr Rs.Cr.	Qtr Profit Var %	Sales Qtr Rs.Cr.	Qtr Sales Var %	ROCE %
1.	Indus Towers	436.00	17.76	117499.25	0.00	1925.90	42.88	7383.00	4.34	22.08
2.	Suyog Telematics	1665.15	26.14	1775.40	0.07	16.89	37.99	45.99	18.87	21.62
3.	Sar Televenture	336.30	79.77	1249.10	0.00	11.60		88.34		12.25
4.	Kore Digital	2380.00	57.92	953.90	0.00	5.30	691.04	50.77	1030.73	39.91

Source: Screener

# Final Outlook

**INDUSTOWER: HOLD | LTP: 436**

Indus Towers Ltd. has a durability score of 75, which indicates High Financial Strength, thus shows good sign for investors for investing in Indus Towers Ltd. Cash flow per share is expected to grow by 4.0% in FY25 Indus Towers Ltd.'s Cash flow per share was higher than average estimate 2 times in past 3 years, thus investors should buy this indus tower stock as it can be analysed that the stock will give good results in future.

1. Indus Towers have a largest market capitalisation among its peers and is standing among its top.
2. There is a decrease in the profit in one year of Indus towers which is quite a concern.
3. By looking at the chart of the stock it is showing positive result and the stock prices of indus towers is rising.