GTPL Hathway Ltd — Apr 2026 Quarterly Analysis

1. VERDICT & BUSINESS QUALITY SNAPSHOT

Result: Weak Inline **One-line:** The successful launch of the HITS platform (GTPL Infinity) provides a structural path to rural India, but the core business is cannibalizing itself as operating costs outpace stagnant retail subscription growth.

Dimension	This Quarter	Signal / Evidence	Sentiment
Beat/Miss vs Prior Quarter	Weak Miss	EBITDA of 90.8 Cr in Q4 FY26 is down 24% QoQ and 21% YoY, significantly lagging 4% YoY revenue growth.	□
Earnings Quality	Low	PAT of 15.6 Cr for FY26 is supported by 1,845.5 Cr in Placement Income; Q4 saw a net loss of 15.3 Cr.	□
Guidance Confidence	Neutral	Management's projection of 200Mn TV households by 2028 remains the North Star, but execution in paying sub-growth is lagging.	□
Management Credibility	Neutral	Successfully delivered the "GTPL Infinity" HITS launch; however, paying CATV subs fell by 200k YoY.	□
Business Quality Signal	Deteriorating	Operating EBITDA margin compressed from 22% in FY25 to 18% in Q4 FY26 as pay channel costs spiked 13% YoY.	□
Key Q&A Exchange	N/A — PPT Only	PPT focuses on HITS as a delivery cost-saving tool for rural/hilly terrains.	□
The Street's Primary Anxiety	Retail Churn	Paying subscribers declined from 8.90 Mn to 8.70 Mn YoY, suggesting urban market saturation and OTT/DTH pressure.	□
Capital Cycle Stage	Investment	Heavy investment in "GTPL Infinity" and FTTX conversion (~75% of homepass now FTTX).	□
Margin Trajectory	Deteriorating	Consolidated EBITDA margin fell from 13.2% (FY25) to 11.5% (FY26).	□
Pricing Power	Eroding	Broadband ARPU stuck at 465; CATV subscription revenue fell 4% YoY despite inflationary environment.	□
FCF Conversion & Quality	Weak	FY26 PAT of 15.6 Cr is dwarfed by 376.1 Cr in Depreciation, suggesting heavy non-cash charges and low cash yield.	□
Competitive Moat Signals	Widening (Rural)	HITS license (August 2025) allows GTPL to reach 120Mn "TV-dark" households where fiber is unviable.	□
Balance Sheet Strength	Adequate	Borrowings rose to 253.7 Cr (Non-current) but Trade Payables reduced significantly from 952.0 Cr to 798.6 Cr.	□
Working Capital Efficiency	Stable	Inventory and Trade Receivables remained relatively flat YoY; payables were aggressively paid down.	□
Mgmt Guidance Track Record	Mixed	Delivered on HITS technical milestones but failed to protect the retail CATV sub-base.	□
Key Vulnerability	Pay Channel Inflation	Pay channel costs (2,343.0 Cr) now consume nearly 2x the entire Subscription Revenue (1,186.2 Cr).	□
Management Tone	Cautious Optimism	Pivot to "Infinity" suggests a shift from urban defense to rural offense.	□

Sentiment: □Neutral

Key Takeaways: * **Positives:** The launch of **GTPL Infinity (HITS)** is a game-changer for the TAM (Total Addressable Market). It enables nationwide reach with zero recurring bandwidth delivery costs, targeting 120 million households that do not currently own a TV. This structurally lowers the cost-to-serve in rural markets. Broadband usage remains high at 436 GB/month (+10% YoY), showing strong utility of the pipe. * **Negatives:** The **"Broadcaster Dependency"** is reaching a breaking point. Subscription income from CATV fell 4% YoY to ₹1,186.2 Cr, while the cost to buy those channels (Pay Channel Cost) surged 13% to ₹2,343.0 Cr. GTPL is increasingly reliant on "Placement and Carriage" fees (₹1,845.5 Cr, +18% YoY) to bridge this gap. Essentially, the company is becoming a marketing arm for broadcasters rather than a pure retail utility. * **Street Concern:** Investors are worried about the **Q4 net loss of ₹15.3 Cr**, which was exacerbated by a ₹9.1 Cr unrealized forex loss. While one-off, the underlying operating EBITDA compression from 22% to 18% (Operating basis) indicates that GTPL is having to pay more for content than it can pass on to consumers. * **Forward Watchpoint:** Subscriber realization through HITS. If the HITS platform does not rapidly onboard the "40 Mn households" served by small unorganized players, GTPL's margin will continue to be squeezed by rising content costs and urban churn.

---

2. BUSINESS PERFORMANCE

2A. KEY METRICS

Note: PPT not available — numbers from concall (This label is used as per prompt rules; however, input was PPT_ONLY, so commentary is derived from presentation text.)

Metric	Current Qtr (Q4 FY26)	YoY Change	QoQ Change	Trend	Mgmt Commentary
Revenue (₹ Cr)	934.4	↑ 4%	↓ 0.4%	→	Driven by Placement income growth; Subscription revenue remains soft.
CATV Paying Subs (Mn)	8.70	↓ 2%	↓ 1%	↓	Churn in urban markets; shift to HITS target in rural pending.
Broadband Subs ('000)	1,060	↑ 2%	→	↑	Steady but slow growth; focused on B2B and rural Gujarat.
Broadband ARPU (₹)	465	→ 0%	→ 0%	→	Net of taxes; stable pricing despite 10% higher data usage.
Placement Income (₹ Cr)	459.8	↑ 9%	↓ 1%	↑	Essential buffer; now 49% of total Q4 revenue.
Pay Channel Cost (₹ Cr)	578.7	↑ 8%	↓ 2%	↓	Content costs rising faster than retail pricing power.
EBITDA (₹ Cr)	90.8	↓ 21%	↓ 24%	↓	Impacted by content costs and ₹7.6 Cr one-time forex in opex.
EBITDA Margin %	9.7%	↓ 300 bps	↓ 300 bps	↓	Published margin hit by one-offs; Operating margin stable at 18%.
PAT (₹ Cr)	(15.3)	↓ 198%	↓ 238%	↓	Slid into loss due to forex and higher depreciation.
ROCE (%)	~4.5% (Est)	↓	↓	↓	Depressed by lower profitability and asset additions (HITS).
Net Debt / (Cash) (₹ Cr)	295.1	↑ 12%	↓ 2%	□	Calculated as Total Borrowings (₹411.3 Cr) - Cash (₹116.2 Cr).
Homepass (Mn)	5.95	↑ 3%	→	↑	~75% FTTX ready infrastructure for conversion.

2B. SEGMENT BREAKDOWN

Segment	Revenue (□ Cr)	YoY Growth	Margin	Trend	vs Company Avg	Key Development
Cable TV (Subscription)	1,186.2 (Ann)	↓ 4%	18.0%*	↓	Below	Negative pricing power; paying subs down 200k.
Broadband (ISP)	558.0 (Ann)	↑ 2%	18.0%*	→	Inline	Volume-led growth (15k adds); stable ARPU.
Placement/ Carriage	1,845.5 (Ann)	↑ 18%	High	↑	Above	Now the dominant revenue driver; subsidizing the retail loss.

Note: Segment margins are blended at the consolidated operating level of 18% per management analysis.

3. MANAGEMENT OUTLOOK & EXECUTION TRACKER

Dimension	Category	Management Target / Claim	Required Run-Rate / Mathematical Feasibility	Historical Delivery	Risk Flag
Guidance	Volume	Reach 200 Million TV households by 2028 (Industry).	Needs ~20% annual industry expansion; GTPL must reverse churn.	Missed (Sub count fell)	High
Guidance	Revenue	Expand into 40 Mn households via unorganized MSO consolidation.	Requires aggressive HITS adoption in FY27.	New Target	Moderate
Guidance	Broadband	Target 150 Mn households for Broadband (TAM).	GTPL at 1.06 Mn; massive headroom but low current penetration.	Stable	Low
Strategy	HITS Reach	Nationwide signal delivery including rural/hilly terrains.	GTPL Infinity launched in Q4; full rural rollout expected FY27.	Delivered (Launch)	Moderate
Strategy	Capex Plan	FTTX Conversion (~75% complete).	Ongoing migration from copper; provides future speed runway.	On Track	Low
Macro	Competition	DTH to Cable shift due to channel parity post-digitization.	Not yet visible in net paying subscriber numbers.	Unverified	High
Balance	Debt Target	Conserve delivery costs via HITS.	Expected to lower opex in FY27; Q4 was transitionary.	In Progress	Moderate

(N/A — no concall conducted or available to link specific Q#)

4. ANALYST Q&A

Section not applicable — investor presentation only. No concall conducted or available.

5. WHAT CHANGED vs PRIOR QUARTER

What Changed	Prior Quarter (FY25 Avg/Q4)	This Quarter (Q4 FY26)	Direction
HITS Readiness	Pre-launch/License Phase	**Launched (GTPL Infinity)**	↑ Improving
Profitability	Profit (₹15.6 Cr in Q4 FY25)	**Loss (₹15.3 Cr in Q4 FY26)**	↓ Deteriorating
Forex Exposure	Minimal	**₹9.1 Cr Unrealized Loss**	↓ Risk Addition
Subscriber Base	8.90 Mn Paying	8.70 Mn Paying	↓ Deteriorating
Content Economics	Sub Rev > Pay Cost (Historical)	**Pay Cost > 1.9x Sub Rev**	↓ Thesis Red Flag
Broadband Data	396 GB/mo (FY25)	436 GB/mo (FY26)	↑ Improving
Leverage	Borrowings ₹227.5 Cr	Borrowings ₹411.3 Cr	↓ Deteriorating
Infrastructure	Urban Fiber Focus	**Pan-India Satellite Reach**	↑ Strategic Pivot

INVESTOR NOTES: * **The Content Trap:** The most alarming trend is that GTPL's retail subscription revenue (₹1,186 Cr) no longer covers its content procurement costs (₹2,343 Cr). The company is now effectively a service provider for broadcasters, relying on Placement Fees (₹1,845 Cr) to survive. Any regulatory cap on placement fees by TRAI would be catastrophic for the current P&L structure. * **HITS as the Pivot:** The thesis has shifted from "Gujarat Urban Dominance" to "Rural Satellite Aggregator." The GTPL Infinity platform is the only way to scale without massive fiber capex. If the company fails to sign up smaller MSOs (the "40 Mn household" opportunity) within 12 months, the high satellite transponder costs will further bleed margins. * **Earnings Quality:** FY26 PAT of ₹15.6 Cr on ₹3,746 Cr revenue represents a razor-thin 0.4% margin. With Depreciation at ₹376 Cr, the business is in a "heavy-asset, low-yield" phase. Investors should watch the CFO-to-EBITDA ratio; the aggressive reduction in trade payables (₹153 Cr outflow) suggests cash is being used to manage broadcaster relationships rather than being returned to shareholders. * **Broadband Floor:** Broadband ARPU is stable at ₹465, which is a positive defensive signal against Telco "AirFiber" competition. However, net adds (15k for the year) are too slow to drive a valuation re-rating.