

## 1. VERDICT

**Result:** Beat

**One-line:** Vodafone Idea delivered a solid quarter marked by strong revenue growth, highest daily average revenue in 5 years, and significant network expansion, validating its ongoing turnaround and investment thesis despite continued losses and funding challenges.

Dimension	Rating	Evidence
Beat/Miss vs Guidance / Prior Quarter	Beat	Revenue +3.8% YoY in Q4, EBITDA +9.5% YoY FY25, highest daily average revenue in 5 years
Guidance Confidence	Neutral	Capex and funding guidance cautious, dependent on bank funding and AGR clarity
Management Credibility	Strong	Transparent on challenges, detailed on capex, subscriber trends, and government engagement
Tone vs Prior Quarter	More Confident	Confident on 5G rollout, network improvements, and subscriber loss reduction
Business Quality Signal	Improving	Network quality improving, subscriber loss reducing, ARPU growth for 15 consecutive quarters
Most Tense Q&A Exchange	Q3 – AGR clarity and debt funding	Analysts pressed on AGR relief and debt funding progress; management candid but non-committal
Topics Pressed But Absent from Opening	No major omissions noted	Management addressed most key concerns proactively

## 2. BUSINESS PERFORMANCE

### 2A. KEY METRICS

Metric	Current Qtr (Q4 FY25)	YoY Change	QoQ Change	Trend	Mgmt Commentary
Revenue (₹Cr)	1,101	+3.8% YoY	Not stated	↑	Highest daily average revenue in 5 years; growth driven by tariff hikes and improved ARPU
EBITDA excl. IndAS116 (₹Cr)	232	+9.5% YoY	Not stated	↑	EBITDA growth driven by revenue growth and cost control
Reported EBITDA (₹Cr)	466	+8.2% YoY	Not stated	↑	Includes IndAS116 effects; improvement over FY24
PAT (₹Cr)	-2,738 (loss)	Loss narrowed by ₹385 Cr YoY	Not stated	↑ (loss narrowing)	Loss reduced due to equity infusion and operational improvements
Capex (₹Cr, Q4)	428	Not applicable	Not applicable	First entry	Highest quarterly capex since merger; total FY25 capex ₹962 Cr
Net Debt from Banks (₹Cr)	233	↓ from ₹404 Cr	Not stated	↓	Debt reduction due to equity infusion and repayments
Consumer ARPU (₹)	Not explicitly stated	↑ for 15 consecutive quarters	+1% QoQ excl. M2M	↑	ARPU growth driven by tariff hikes and premium plans
4G+5G Subscribers (Mn)	126.4	Not stated	+0.4 Mn QoQ	↑	4G subscriber base stable with slight growth; 5G rollout underway
Network Coverage (% population)	83% (4G)	+6% YoY	Not stated	↑	Expanded 4G coverage by 73 million people; 5G launched in 4 cities, expanding to 17 circles
Data Usage/customer (GB/day)	Not stated	+5.2% QoQ	Not stated	↑	Data traffic growth driven by network improvements and 5G launch

### 2B. SEGMENT BREAKDOWN

Not explicitly detailed in PPT or concall; however:

- **Consumer Segment:** Growth in ARPU and subscriber base, especially postpaid and prepaid plans with innovative offerings (Easy+, Vi Max Limitless, Super Hero, Non-Stop Hero).
- **Enterprise Segment:** Expansion into Techco services with hybrid SD-WAN, IoT, cloud, and managed services; recognized for digital transformation initiatives.
- **Digital Services:** Growth in Vi Movies & TV OTT platform and Vi App engagement, driving digital monetization beyond core telecom.

## 2C. PPT vs CONCALL ALIGNMENT

Metric	PPT Figure	Concall Figure	Match?	Delta / Note
Revenue (Q4 FY25)	₹1,101 Cr	₹1,101 Cr	Yes	Perfect alignment
EBITDA excl. IndAS116	₹232 Cr	₹232 Cr	Yes	Perfect alignment
Capex (Q4 FY25)	₹428 Cr	₹428 Cr	Yes	Perfect alignment
4G Subscribers	126.4 Mn	126.4 Mn	Yes	Perfect alignment
Net Debt from Banks	₹233 Cr	₹233 Cr	Yes	Perfect alignment
PAT (FY25)	-₹2,738 Cr	-₹2,738 Cr	Yes	Perfect alignment

No material discrepancies noted.

## 3. MANAGEMENT OUTLOOK

Dimension	Category	What Management Said	Status	Risk Flag	Linked Q#
Guidance	Revenue	Reaffirmed growth trajectory; expect continued ARPU improvement and revenue growth driven by tariff hikes and 5G rollout	Reaffirmed	Medium	Q1, Q3
Guidance	Margins	EBITDA margin improving; cost control initiatives ongoing; network opex stable despite capex increase	Reaffirmed	Low	Q15
Guidance	Capex	FY26 capex expected around ₹600 Cr per quarter initially; further plans depend on funding and bank debt	Cautious	Medium	Q12, Q16
Strategy	Capacity / Expansion	4G coverage to reach ~84% with current capex; 5G rollout in 17 circles by August 2025; target 220k towers	On Track	Low	Q11, Q16
Industry & Macro	Demand Outlook	Positive; broadband penetration below 65% indicates growth potential; tariff increases needed for sustainability	Positive	Medium	Q2, Q13
Industry & Macro	Input Costs / Inflation	Energy cost optimization and in-sourcing helping control opex; inflationary pressures acknowledged	Managed	Low	Q17

Management highlighted the criticality of further tariff hikes linked to usage, ongoing government engagement on AGR dues, and the importance of funding for capex acceleration.

## 4. ANALYST Q&A

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Q#	Theme Cluster	Underlying Concern	Management's Key Points	Evaded / Not Addressed	Credibility	Verdict
Q1	Subscriber Growth	When will network investments translate into 4G subscriber additions?	4G net adds modest but improving; 5G rollout driving device uptake; expect further improvement with continued investments	No	Strong	Credible, realistic
Q2	5G Launch & Adoption	Early signs of 5G uptake and customer experience?	Uptake >60% among 5G device users in launched cities; positive customer feedback; 5G also relieves 4G congestion	No	Strong	Positive early indicator
Q3	Capex & Funding	FY26 capex guidance and dependency on funding?	₹600 Cr+ capex planned; further capex depends on bank funding; discussions ongoing; government equity conversion aids funding	No	Strong	Cautious but transparent
Q4	Tariff Structure	Industry shift to usage-linked pricing and government role?	Industry-led change needed; entry-level tariffs constrained; incremental usage pricing essential; no government role in pricing	No	Strong	Clear but non-committal
Q5	Government Shareholding	Will government take board seat after 49% equity?	No intent from government to take board seat or management role; shareholding is support measure	No	Strong	Clear
Q6	Vodafone Group Settlement	Delay in settlement asset receipt and linkage to AGR dues?	Settlement asset receipt contingent on AGR dues payment; discussions ongoing with Vodafone Group; deadline extended	No	Strong	Transparent
Q7	AGR Relief & Legal	Impact of Supreme Court observations on government relief?	Media reports reflect court proceedings; government relief possible; engagement ongoing; no legal impediment seen	No	Strong	Positive but uncertain
Q8	Debt Funding Challenges	Despite upgrades, why is debt funding slow?	Banks want AGR clarity; conversion to equity helps; discussions progressing; no blockage but cautious approach	No	Strong	Realistic
Q9	Network Opex	Why network opex flat despite capex and site additions?	Cost control via rental negotiations, energy optimization, insourcing fiber management, IT cost reduction	No	Strong	Credible
Q10	Pricing & ARPU	Strategy behind unlimited data plans like Nonstop Hero?	Designed to attract and retain subscribers; leverage improved network; initial pricing to gain market share	No	Strong	Strategic and credible

Q#	Theme Cluster	Underlying Concern	Management's Key Points	Evaded / Not Addressed	Credibility	Verdict
Q11	Brand & Marketing	Consideration of nostalgic campaigns for brand connection?	Acknowledged complexity; suggestion passed to brand team; no immediate plans announced	No	Neutral	Non-committal

## PATTERN FLAGS

Theme Cluster	Q#s	# of Analysts	Overall Management Stance	Cluster Verdict
Funding & AGR	Q3, Q6, Q7, Q8	4	Transparent, cautious, ongoing	Key risk remains but progress
Network & Subscribers	Q1, Q2, Q9, Q10	4	Confident, improving	Positive operational momentum
Tariff & Pricing	Q4, Q10	2	Clear on need for change, industry-led	No government role, realistic
Government Role	Q5, Q7	2	Clear no board involvement	Supportive but non-interfering

## 5. INVESTOR NOTES — BUSINESS QUALITY ASSESSMENT

Dimension	This Quarter's Read	Trajectory Signal
Management Credibility	Strong	Improving
Margin / Return Ratio Trajectory	Improving EBITDA margin; PAT loss narrowing	Improving
Pricing Power	Limited but improving due to tariff hikes and premium plans	Improving
Capital Allocation Quality	Focused on network expansion; capex ramp-up aligned with strategy	Improving
Competitive Moat Signals	Network quality improving; 5G rollout underway; digital ecosystem expanding	Improving
FCF Conversion	Negative PAT; cash flow not explicitly stated but debt reduction and cash balance improved	Stable
Red Flags (if any)	AGR dues remain a key overhang; debt funding dependent on AGR clarity	Stable

### Overall Thesis Verdict:

- Conviction Increasing
- The quarter demonstrated tangible progress on network quality, subscriber trends, ARPU growth, and funding support from government equity conversion, validating the turnaround thesis.
- Section 1 and Section 5 are aligned, showing improving business quality and management credibility.
- Forward-looking watchpoint: Monitor AGR resolution progress and successful debt funding to sustain capex and subscriber growth momentum in FY26.