



Quarterly Result Update

Indus Towers Ltd.

07th May 2026

Reco **HOLD**

Industry	Telecom Infra
LTP (May 07, 2026)	402.90
Bull Case Target	501
Time Horizon	4 Quarters

Stock Info

BSE Code	534816
NSE Code	INDUSTOWER
Bloomberg	INDUSTOW IN
Equity Capital (Rs Cr)	2638.2
Face Value (Rs)	10.0
Equity Share O/S (Cr)	263.8
Market Cap (Rs Cr)	106,291
Book Value (Rs)	150.3
Avg. 52 Wk Volumes	8,042,370
52 Week High	481.5
52 Week Low	313.0

Share Holding Pattern (%) (Mar'26)

Promoters	51.3
Institutions	44.7
Non-Institutions	4.0
Total	100

One Year Price Chart



* Refer at the end for explanation on Risk Ratings

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Steady performance in Q4FY26, however marking a strong quarterly expansion

Indus Towers Limited provides tower and related passive infrastructure to telecom service providers on a non-discriminatory basis under long-term service contracts. The company is committed to building robust, sustainable infrastructure to ensure seamless connectivity. The company has entered into long-term arrangements, i.e., Master Service Agreements (“MSA”) with telecom operators, including its major customers, i.e., Bharti Airtel and Bharti Hexacom, for rendering passive infrastructure services, including project management or provisioning, establishing, installing, operating and maintaining.

Indus Towers reported steady performance in Q4FY26. Its consolidated revenue grew 4.8% YoY to Rs 8101 crore. The company’s EBITDA stood at Rs 4465 crore, and EBITDA margin slipped to 55.1% in Q4FY26, impacted by lower revenue growth and higher power and fuel costs. The company’s net profit (adj) was up 1% YoY to Rs 1793 crore in Q4FY26. Revenue/EBITDA declined 0.6%/1%/3.5%, respectively, and Net profit increased 1% on QoQ basis.

Indus Towers has over 2,64,000 towers and 4,28,000 co-locations, with a nationwide presence across all 28 telecom circles. It has the widest coverage in India. The company recorded 6,192 net tenancy additions in Q4FY26, marking a strong quarterly expansion driven by customer network rollouts. Tenancy sharing ratio stood at 1.62x (stable QoQ). The company expects a robust tower rollout over the next 4-6 quarters, based on strong order-book visibility. The company expects both towers and tenancies to grow, and these towers will continue to have the option to accommodate a second tenant.

Indus Towers will begin its business operations in African countries in partnership with its existing partner, Bharti Airtel, which has a strong presence in the region and holds the third-largest market share. Combined with growth potential from emerging opportunities in Africa, its robust financial position, and an anchor customer relationship with Bharti Airtel, the company is well-positioned to enter international markets. Besides, the company has decided to explore business opportunities in the Electric Vehicle (EV) charging infrastructure sector. The company is well-positioned to contribute to the EV charging infrastructure sector by leveraging its expertise in managing and providing space, power, and operations and maintenance.

We had issued a Pick of the Week report on Indus Towers Ltd ([Link](#)) on January 11, 2026, recommended to buy in the band of Rs 430-440 and add on dips in the band of Rs 393-401 for a base case fair value of Rs 470 and the bull case fair value of Rs 501 over the next two to three quarters. The stock achieved its base case target on Feb 11, 2026. We have an open call on the stock and recommend a hold rating.

Valuation & Recommendation

The outlook for the tower infrastructure sector is positive and robust, driven by continued global 5G expansion, rising data consumption, and government initiatives to drive digital transformation. Increased network densification with more towers and small cells, the strategic deployment of AI for predictive maintenance, and the expansion of services including fibre, data centres, and IoT infrastructure could strengthen the tower infrastructure going forward.

Indus expects strong revenue growth from 5G rollouts and higher tenancy ratios. Emerging technologies such as 5G, artificial intelligence, robotics, and the Internet of Things will provide an opportunity for the company to expand its offerings. Attractive tower economics, supported by high tenancy levels and Airtel Africa’s anchor presence, drive profitability, while partial dollar-linked rentals mitigate currency risk.

Risks & Concerns

- Telecom sector is capital-intensive in nature and susceptible to regulatory and technological changes,
- The pace of 5G rollouts has tapered over the last few quarters,
- Adverse currency fluctuations against the INR could impact its revenue and earnings,
- Indus Tower Mobile Network Operators (MNOs) are witnessing a weaker financial profile, which contributes to 30-35% of revenue.

Financial Summary

Particulars (in Rs Cr)	Q4FY26	Q4FY25	YoY-%	Q3FY26	QoQ-%	FY24	FY25	FY26	FY27E	FY28E
Operating Income	8101	7727	4.8	8146	-0.6	28,601	30,123	32,493	34,446	37,388
EBITDA	4424	4395	0.6	4468	-1.0	14,557	20,845	17,813	18,265	20,162
RPAT	1793	1779	0.8	1776	1.0	6,036	9,932	7,145	7,339	8,526
Diluted EPS (Rs)	6.8	6.7	0.8	6.7	1.0	22.4	37.3	27.1	27.8	32.3
RoE-%						22.3	30.6	18.0	17.2	18.2
P/E (x)						18.0	10.8	14.9	14.5	12.5
EV/EBITDA (x)						8.7	6.0	6.8	6.7	6.1

(Source: Company, HDFC sec)

HDFC Sec Prime Research Rating description**Green Rating stocks**

This rating is given to stocks that represent large and established business having track record of decades and good reputation in the industry. They are industry leaders or have significant market share. They have multiple streams of cash flows and/or strong balance sheet to withstand downturn in economic cycle. These stocks offer moderate returns and at the same time are unlikely to suffer severe drawdown in their stock prices. These stocks can be kept as a part of long term portfolio holding, if so desired. These stocks offer low risk and lower reward and are suitable for beginners. They offer stability to the portfolio.

Yellow Rating stocks

This rating is given to stocks that have strong balance sheet and are from relatively stable industries which are likely to remain relevant for long time and unlikely to be affected much by economic or technological disruptions. These stocks have emerged stronger over time but are yet to reach the level of green rating stocks. They offer medium risk, medium return opportunities. Some of these have the potential to attain green rating over time.

Red Rating stocks

This rating is given to emerging companies which are riskier than their established peers. Their share price tends to be volatile though they offer high growth potential. They are susceptible to severe downturn in their industry or in overall economy. Management of these companies need to prove their mettle in handling cyclicity of their business. If they are successful in navigating challenges, the market rewards their shareholders with handsome gains; otherwise their stock prices can take a severe beating. Overall these stocks offer high risk high return opportunities.

Rating Criteria

Buy - > 15%+ return potential

Add - +5% to +15% return potential

Reduce - -10% to +5% return potential

Sell - >10% downside return potential

Disclosure:

I, **(Abdul Karim)**, Research Analyst, **(MBA)**, author and the name subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. SEBI conducted the inspection and based on their observations have issued advise/warning. The said observations have been complied with. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

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Any holding in stock – No

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