

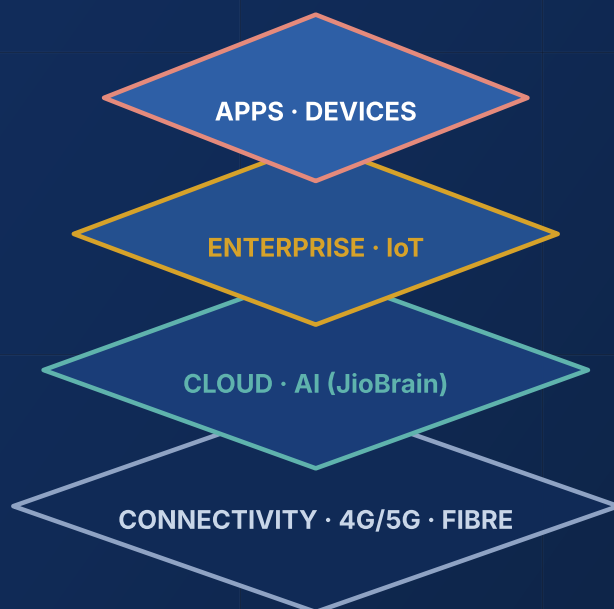
TELECOM · DIGITAL PLATFORMS

Jio Platforms

The digital arm of Reliance Industries

A telecom company in a tech platform's clothes — or the real deal?

India's largest telecom operator is building cloud, AI and enterprise layers on its network. The core is clean and improving — but returns trail Airtel, and the platform story is not yet in the numbers.



OUR TAKE

Worth studying closely — not yet worth valuing. Wait for the price band.

524.4 mn customers at the base

FY26 AT A GLANCE

₹1,46,885 crRevenue; 15.8% CAGR
FY24–26**51.91%**EBITDA margin — 3-year
high**₹43,372 cr**

Free cash flow, >10x FY24

9.42%

RoNW vs Airtel's 20.32%

JIO PLATFORMS · IPO NOTE

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13 July 2026
DRHP filed 19 June 2026

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THE NOTE IN 60 SECONDS

Clean core, unproven platform

- 100% fresh issue:** up to 27 cr shares; no promoter or investor exits.
- Debt paydown:** ₹27,500 cr to prepay RJIL ECBs — ~99.7% of FY26 net debt; no capex funded.
- Strong core:** revenue 15.8% CAGR, PAT margin 20.46%, FCF up >10x in two years.
- Returns lag:** RoNW 9.42% vs Airtel 20.32%; RoACE down to 10.76%. Still compared purely as a telco.

524.4 mn

Customers

₹214.0

Exit-quarter ARPU / month

0.36x

Net debt / EBITDA, from 0.88x

77.08%

Revenue distributed by Reliance Retail

THE ISSUE

Fresh Issue	≤ 27 crore shares
Offer for Sale	Nil
Debt prepayment	₹27,500 cr
Price band	Not yet announced

Key question: can Jio turn 524 million customers into a profitable digital ecosystem?

Reading notes. Figures in ₹ crore (cr), consolidated, as in the DRHP filed 19 June 2026. FY = year ending March 31. Operating metrics are exit-quarter where stated. The price band has not been announced. Figures marked “derived” or “Alpha Room calc.” are analyst calculations. New to IPOs? Read the [2-minute IPO guide](#).

Jio Platforms Ltd

KEY ISSUE DATA

Stance	Not rated
Fresh Issue	≤ 27 cr shares
Offer for Sale	Nil
ECB prepayment	₹27,500 cr
GCP	≤ 25% of gross
Capex object	None
Promoter (RIL)	66.43% → ~64.5%
Pledge	None
Price band	Not announced

OPERATING SNAPSHOT

Customers	524.4 mn
ARPU (exit qtr)	₹214.0/mth
Data / customer	42.3 GB/mth
Monthly churn	1.67%
Towers	3,60,382

FINANCIALS (₹ CR)

Year	FY24	FY25	FY26
Revenue	1,09,558	1,28,218	1,46,885
EBITDA	54,959	64,170	76,255
PAT	21,423	26,109	30,049
ND/EBITDA	0.88x	0.71x	0.36x
RoACE	12.83%	12.50%	10.76%

More than a telco in ambition — still a telco in the numbers

Most investors see Jio as India's largest telecom company. The DRHP shows management building a **digital platform** where connectivity is the foundation for AI, cloud, enterprise software and consumer services.

The core is clean and improving: revenue grew at a **15.8% CAGR** to ₹1,46,885 cr, PAT margin reached **20.46%** and free cash flow rose **more than 10x** in two years as 5G capex eased.

A balance-sheet IPO

The 100% fresh issue sends ₹27,500 cr to prepay RJIL's ECBs — ~99.7% of FY26 net debt. No capacity or capex is funded, and no shareholder exits.

Returns are the gap

RoNW of 9.42% is less than half Airtel's 20.32%, and RoACE fell from 12.83% to 10.76% over three years.

The platform is still a promise

The DRHP compares Jio only with Airtel and Vodafone Idea — cloud, AI and enterprise are not yet visible as earnings drivers.

Key question: can Jio convert its 524 mn-customer scale into a profitable digital ecosystem?

Worth studying closely; not yet worth valuing until the price band is known.

Exhibit 1 Jio vs Airtel at a glance (FY26)

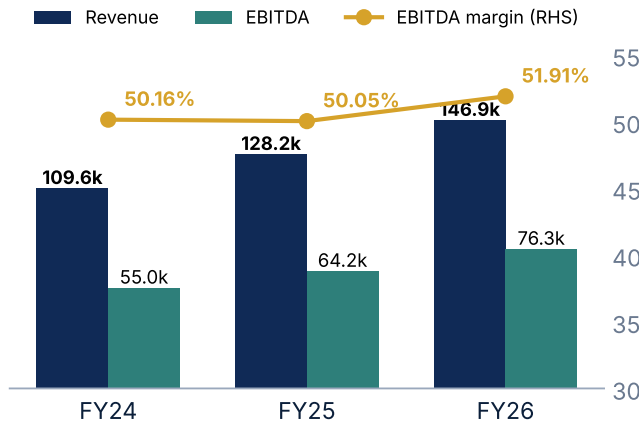
Metric	Jio Platforms	Bharti Airtel
Revenue (₹ cr)	1,46,885	2,10,973
Diluted EPS (₹)	33.59	44.37
RoNW	9.42%	20.32%
NAV / share (₹)	373.66	244.60
P/E	NA (band pending)	42.27x

Source: DRHP peer comparison

Strategy contrast: Airtel has leaned into premium and enterprise users; Jio into affordability and scale. The returns gap is the cost of that choice — so far.

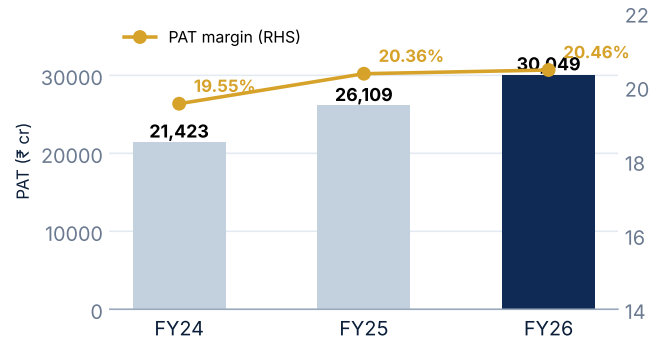
STORY IN CHARTS

Exhibit 2 Revenue and EBITDA growing; margin at a 3-year high (₹ cr)



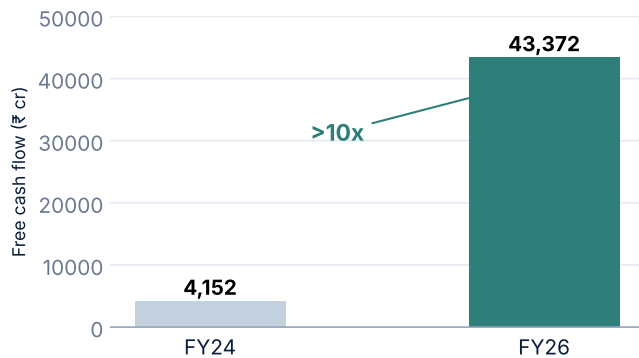
Source: DRHP

Exhibit 3 Profit and margin both rising



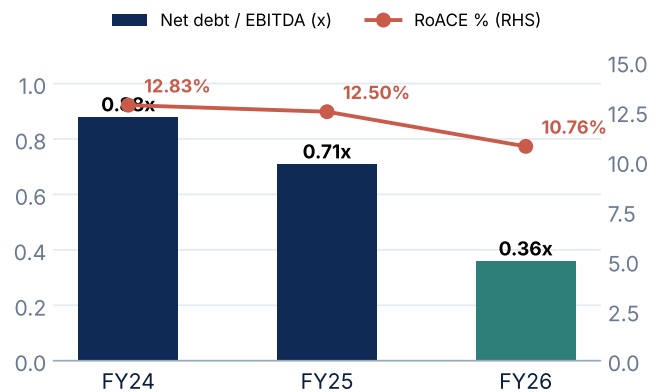
Source: DRHP

Exhibit 4 Free cash flow up more than 10x



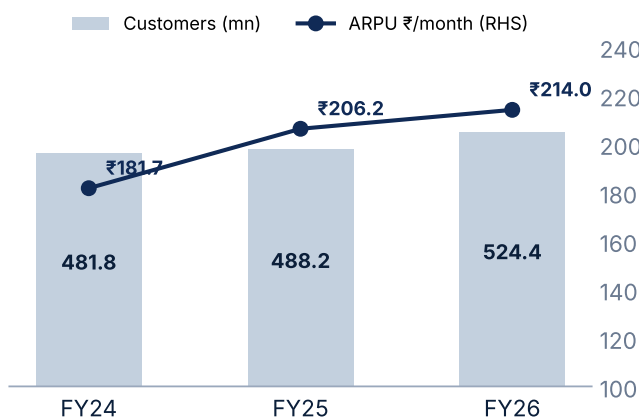
FCF = CFO - cash capex. FY25 not shown. Source: DRHP

Exhibit 5 Leverage falling — but so is RoACE



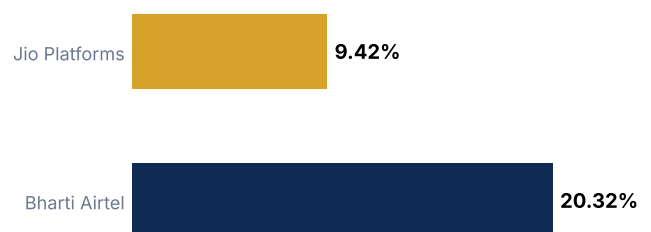
Source: DRHP

Exhibit 6 Customers and ARPU both up



ARPU exit quarter. Source: DRHP

Exhibit 7 RoNW: less than half of Airtel's (FY26)



Source: DRHP peer comparison

01 Business at a glance

Jio Platforms is the digital arm of Reliance Industries. Its largest subsidiary, Reliance Jio Infocomm (RJIL), serves 524.4 million customers across wireless and fixed broadband (JioFiber, JioAirFiber). On top of that connectivity layer, Jio is building digital businesses.

Exhibit 8 The platform stack

Layer	What it includes
Connectivity	4G/5G mobility, JioFiber, JioAirFiber
Cloud & AI	JioAICloud, JioBrain
Enterprise	Connectivity, digital solutions, API, IoT
Consumer apps	MyJio, JioTV, JioCinema, JioHotstar*, JioSaavn, JioCloud
Devices	JioPhone, JioBharat, connected devices

**Streaming offerings may evolve through integrations and partnerships. Source: DRHP*

524.4 mn

Customer base

3,60,382

Towers

#1

Wireless and fixed broadband

2016

Jio launch — decade-long track record

The idea is simple: connectivity attracts customers; digital services increase engagement and create additional revenue.

02 Why this IPO matters & industry snapshot

One of India's most anticipated IPOs. An earlier attempt combined a fresh issue with an OFS, but existing investors wanted a valuation the public market wasn't ready to pay — it was shelved. This time it is **100% fresh**: no one is selling, and proceeds reduce RJIL's debt.

Exhibit 9 Industry drivers

Driver	Projection
India's digital economy	More than doubles to \$1.4 tn by FY31
Fixed broadband penetration	~20% → ~46%
Enterprise digital, cloud & AI	11–25% CAGR
Competition	Bharti Airtel, Vodafone Idea, BSNL

Industry projections as cited in the DRHP. Source: DRHP

The trend in one line: the telecom network is the foundation; cloud, AI, enterprise services and digital apps are the layers being built on top.

03 Business quality — what makes Jio hard to compete with

Scale is the moat: 524.4 mn customers, a nationwide 4G/5G network, extensive fibre and large spectrum holdings would take years and massive capital to replicate. Bundling digital services on top raises switching costs.

STRENGTHS

- India's largest wireless base (524.4 mn)
- #1 fixed broadband provider
- Strong brand recall and trust
- High operating leverage — EBITDA margin >50%
- Sticky, integrated digital ecosystem
- Large spectrum; nationwide 5G
- Strong parent support from RIL
- Cross-sell across telecom, cloud, AI, enterprise
- Rising ARPU on premiumisation and data

WEAKNESSES

- Telecom is brutally capital-intensive
- Continuous spectrum payments and network capex
- RoNW ~9.4% trails Airtel despite leadership
- Revenue still heavily connectivity-dependent
- Highly regulated industry
- Price competition can pressure ARPU

Exhibit 10 The moat, quantified

Moat element	Evidence
Wireless leadership	~1.4x the #2 player's subscribers
Fixed broadband	67.56% share of net additions
Infrastructure	3,60,382 towers; nationwide 4G/5G and fibre
Technology	Full-stack proprietary platform
Profitability	Industry-leading 51.91% EBITDA margin

Source: DRHP

Open questions for the next few quarters

- Can cloud, AI and enterprise become meaningful revenue contributors?
- Can Jio improve its returns on capital?
- How much can ARPU rise without hurting customer growth?
- Will digital services contribute a larger share of profits?

04 Key financial picture

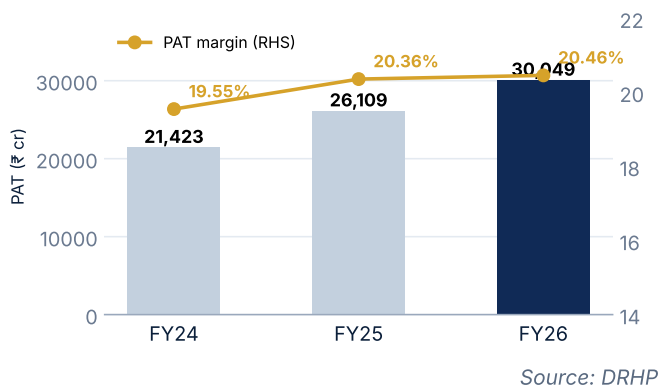
Jio isn't just growing bigger — it is growing more efficient. Revenue, EBITDA and PAT all rose every year, with margins expanding. The weak spot is return on capital.

Exhibit 11 Financial snapshot, FY24 → FY26 (₹ cr)

Metric	FY24	FY25	FY26	Trend
Revenue	1,09,558	1,28,218	1,46,885	15.79% CAGR
EBITDA	54,959	64,170	76,255	17.79% CAGR
EBITDA margin	50.16%	50.05%	51.91%	3-yr high
EBIT margin	29.99%	31.22%	33.36%	Rising
PAT	21,423	26,109	30,049	18.4% CAGR*
PAT margin	19.55%	20.36%	20.46%	Rising
Net debt / EBITDA	0.88x	0.71x	0.36x	Falling
RoACE	12.83%	12.50%	10.76%	Falling

*PAT CAGR: Alpha Room calc. Source: DRHP

Exhibit 12 PAT and PAT margin



Revenue

₹1,09,558 cr → ₹1,46,885 cr: consistent growth as the business and customer base expand.

Profit

₹21,423 cr → ₹30,049 cr, with margin up from 19.55% to 20.46% — converting more revenue into profit.

The catch

RoACE fell from 12.83% to 10.76% — the heavy 5G asset base has not yet earned through.

05 Cash, balance sheet & working capital

Cash conversion is real: CFO has run at ~2.6x PAT every year, FCF rose from ₹4,152 cr to ₹43,372 cr as the 5G rollout slowed, and prepaid customers mean almost no money is stuck in receivables.

Exhibit 13 Free cash flow (₹ cr)

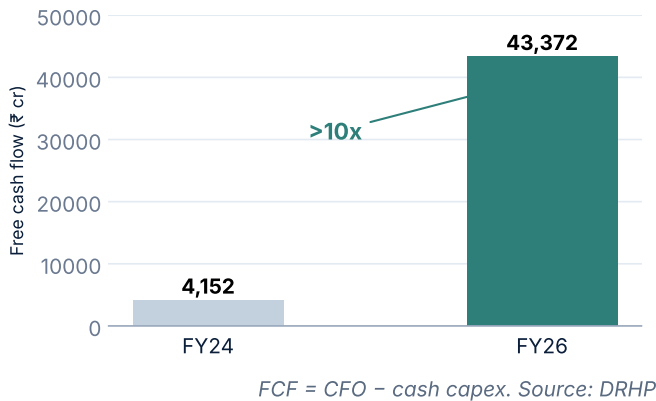


Exhibit 14 Net debt implied by leverage (₹ cr)

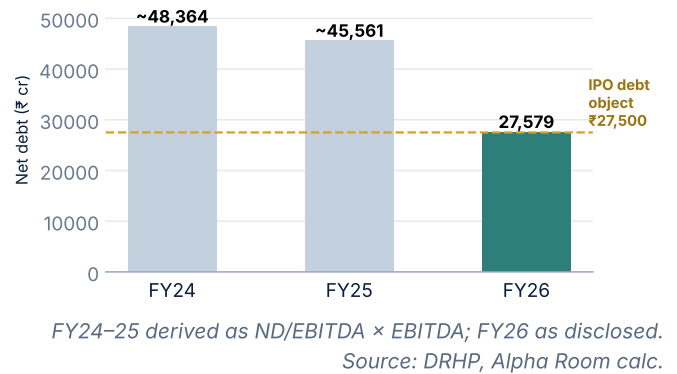


Exhibit 15 Balance sheet and working capital

Item	Datapoint	Read
Borrowings / net worth (incl. deferred spectrum)	~60% (FY24) → ~52.5% (FY26)	Improving
Net debt / EBITDA	0.88x → 0.36x	Improving
FY26 net debt	₹27,579 cr	IPO repays ~99.7%
Deferred spectrum obligations to DoT	₹1.04 lakh cr — excluded from net debt	Watch
Receivables	₹2,527 cr vs ₹1,46,885 cr revenue (~6 days)	Excellent
CFO / PAT	~2.6x every year	Strong

Receivable days: Alpha Room calc. Source: DRHP

Debt is manageable and moving the right way — but the ₹1.04 lakh cr of deferred spectrum payments sits outside “net debt” and should stay in view.

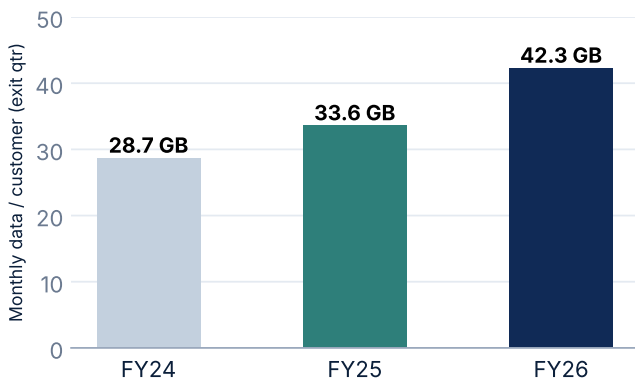
06 Operating metrics & peer comparison

Exhibit 16 Key operating metrics, FY24 → FY26

Metric	FY24	FY25	FY26
Total customers (mn)	481.8	488.2	524.4
Net additions (mn)	42.5	6.4	36.2
ARPU — exit quarter (₹/month)	181.7	206.2	214.0
Data traffic (bn GB)	148.5	184.5	241.4
Monthly data / customer — exit qtr (GB)	28.7	33.6	42.3
Monthly churn — exit qtr	1.52%	1.81%	1.67%

Source: DRHP

Exhibit 17 Data consumption per customer



Source: DRHP

Reading the metrics

ARPU rose ~18% over two years (Alpha Room calc.) while the base grew to 524.4 mn. FY25 net additions slowed to 6.4 mn as exit-quarter churn rose to 1.81%; FY26 recovered to 36.2 mn net adds with churn at 1.67%.

Exhibit 18 Peer comparison, FY26

Company	FV (₹)	Revenue (₹ cr)	Diluted EPS (₹)	P/E	RoNW	NAV/share (₹)
Jio Platforms	10	1,46,885	33.59	NA	9.42%	373.66
Bharti Airtel	5	2,10,973	44.37	42.27x	20.32%	244.60
Vodafone Idea	10	44,873	3.21	4.65x	NM	(3.30)

Source: DRHP

Different strategies: Airtel has focused on premium, enterprise and higher-paying users; Jio on affordability and scale. Jio's test is converting scale into revenue and profit through digital businesses.

07 Management, governance & things we're watching

Exhibit 19 Leadership & ownership

Item	Detail
Promoter	Reliance Industries Ltd (Ambani family)
Chairman	Mukesh D. Ambani (Non-Executive)
Managing Director	Akash Ambani
Promoter holding	66.43% pre → ~64.5% post
Pledge / OFS	None / Nil
KMP pay	Modest relative to profit

Source: DRHP

What we like

- Marginal promoter dilution; zero OFS
- No share pledge
- Deep telecom track record since 2016
- No prior corporate failure or fraud finding at company level

Exhibit 20 Things we're watching

Item	Detail
Zero capex ask	0% of net proceeds go to capacity, network build-out or any named capital project
Licence dependence	The business depends on RJIL's telecom licences and spectrum — the #1 risk factor
CEO change	Kiran Mathew Thomas resigned 23 Mar 2026; Pankaj Mohan Pawar appointed 24 Mar 2026 — ~3 months before the 19 Jun 2026 filing. CS/Compliance changed on the filing date (a common formality)
Returns gap	RoNW 9.42% vs Airtel 20.32%; Vodafone Idea not meaningful
Group complexity	150–200+ group companies; related-party revenue, cost, distribution and capex-execution links across Reliance

Source: DRHP

77.08%

Revenue distributed by Reliance Retail

~3 months

CEO change before DRHP filing

150–200+

Group companies

08 The offer & the top five risks

The entire issue — up to 27 crore shares — is fresh. No OFS. ₹27,500 cr prepays RJIL's external commercial borrowings, about 99.7% of FY26 net debt.

Exhibit 21 Offer structure

Component	Detail
Fresh Issue	Up to 27 crore shares
Offer for Sale	Nil
Prepay RJIL ECBs	₹27,500 cr
FY26 net debt	₹27,579 cr
General Corporate Purposes	≤ 25% of gross proceeds
Capex / capacity	None
Price band	Not yet announced

Source: DRHP

What it means

Shareholder-friendly structure. Nobody exits; promoter dilution is marginal.

Balance-sheet repair, not growth capital. Investors will want to see how the next phase of growth is financed.

Near net-debt-free. After repayment, FY26 net debt would be largely retired — but deferred spectrum dues remain.

Exhibit 22 The top five risks Jio itself lists

#	Risk	Detail
1	Spectrum / telecom-licence dependency	The first and most heavily emphasised risk
2	Network / passive-infrastructure disruption	A 2-hour outage of 5G mobility and JioAirFiber in Gujarat during FY26
3	Technological obsolescence	Including the emerging satellite-connectivity threat
4	No control over the Jio trademark	Used by other Reliance Group companies
5	Extensive related-party agreements	With the Promoter, Reliance Retail and others

Source: DRHP

09 Bull case vs bear case

THE BULL CASE

1. A genuine, quantified moat

#1 in wireless (~1.4x the #2 player) and fixed broadband (67.56% of net adds); full-stack proprietary platform; 3,60,382 towers; 51.91% EBITDA margin.

2. Excellent, real cash conversion

CFO ~2.6x PAT every year; net leverage 0.88x → 0.36x; debtor days ~6.

3. Shareholder-friendly structure

100% fresh issue, zero OFS, no promoter or PE exit; promoter dilution ~66.4% → ~64.5%.

THE BEAR CASE

1. Returns are weak and falling

RoACE 12.83% → 10.76%, below typical cost-of-capital benchmarks; RoNW 9.42% vs Airtel 20.32%.

2. Zero capex funded

100% of the quantified net proceeds (₹27,500 cr) prepays debt — balance-sheet repair despite a growth-oriented equity story.

3. Embedded related-party dependence

Reliance Retail distributes 77.08% of revenue; EPC/capex via the Promoter; shared Jio brand; CEO change three months before filing.

Exhibit 23 Balance of evidence

Debate	Bull reading	Bear reading	Decider
Moat	Scale, network, spectrum	Satellite and tech obsolescence	Share and ARPU trend
Cash	FCF >10x; leverage falling	₹1.04 lakh cr deferred spectrum	FCF after spectrum
Returns	Capex cycle easing	RoACE and RoNW lag	RoNW trajectory
Platform	Cloud, AI, enterprise optionality	Not visible in the numbers	Digital revenue share

Source: Alpha Room Research

10 Investment thesis & our honest take

"Jio has proven it can build India's largest network. The next chapter is proving it can turn that scale into a profitable digital ecosystem."

Long-term growth is unlikely to come from adding subscribers alone; it depends on **monetising the 524 million customers already acquired**. Selling another service to an existing customer is cheaper than acquiring a new one — and customers using several Jio services are less likely to switch.

Exhibit 24 Two paths for the valuation narrative

Path	What would need to happen	How Jio gets valued
Platform	Cloud, AI, enterprise and apps become meaningful profit contributors; returns rise	Gradually as more than a telco
Telco	Revenue stays connectivity-led; returns stay below Airtel	As a telecom operator — more limited growth and multiple

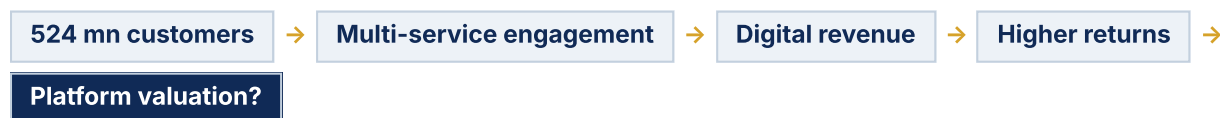
Source: Alpha Room Research

Today, telecom still contributes the majority of revenue and the DRHP compares Jio only with Airtel and Vodafone Idea — the digital businesses are early. And the IPO reduces debt rather than funding the next phase of growth.

Our honest take

- Jio has already proven it can build India's largest telecom network.
- The next challenge is proving AI, cloud and enterprise become meaningful profit contributors.
- Without the price band, it is impossible to judge whether this is a good investment.
- **Worth studying closely — not yet worth valuing.**

Over to you: is Jio a telecom company wearing a tech platform's clothes — or the real deal?



Sources, methodology & important disclosures

Source

Jio Platforms Limited Draft Red Herring Prospectus filed 19 June 2026 and the author's study of publicly available offer documents. This note was published on 13 July 2026, before the announcement of the IPO price band.

Methodology & definitions

- Figures in ₹ crore (cr), consolidated, as presented. FY = fiscal year ending March 31. Operating metrics such as ARPU, data per customer and churn are exit-quarter where stated.
- Free cash flow = cash flow from operations minus cash capex, as presented.
- Analyst calculations (labelled "derived" or "Alpha Room calc.") include: PAT CAGR; FY24–25 net debt implied by net debt/EBITDA × EBITDA; receivable days; and ARPU growth.
- Industry projections are as cited in the DRHP. Peer data is from the DRHP peer comparison.

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