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Jio Platforms IPO: Getting to #4

- 21st Oct 2026
- Sector: Telco, Digital Services

- It opens from 21-23rd Oct, at ₹ 1,065 - 1,119/share
- Large Cap. of ₹ 10,30,000 cr., IPO is ₹ 30,213 cr. entirely a Fresh Issue
- PE is 33.25, PEG is 2X
- Opinion: Buy



- **Why Jio:** Jio's launch in 2016 disrupted India's telecom market, and in 10 years it has grown in stature to the #1 player by customers and #2 by revenues. Mobile penetration is fair in India, so high growth may continue due to growing users, higher demand, value added services, affluence, ecommerce and digital govt. services. Jio has an integrated ecosystem of mobile connectivity, consumer apps and enterprise tech. solutions. Strong brand, new platform services and international opportunities will support its long-term growth.
- **Why now in IPO:** The largest ever IPO from India provides public investors another opportunity to participate in an established telecom firm, after Bharti Airtel and VI. The issue is a fresh issue, with a major portion of the proceeds meant to strengthen the Jio balance sheet. This will help reduce interest costs and improve financial flexibility. Jio is now at a mature and steady phase. The IPO also provides a liquidity event, and opportunity for new investors to enter. The PE TTM will be 33.25X, and PEG of 2X is justified by duopoly status, growth possibilities & strong brand. Jio targets #4 by market capitalization.
- **Risks:** 1) High capex and opex investments of telecom sector 2) Regulatory changes may affect tariffs and revenues 3) Increasing competition from Bharti Airtel and VI in 5G and broadband 4) High valuation may limit near-term upside 5) Technology, cybersecurity and network-disruption risks 6) Execution risks in monetising AI, cloud and enterprise services.
- **Opinion:** Buy

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IPO highlights

- IPO application dates: 21–23 October 2026, with a price band of ₹ 1,065–1,119,
- The Face Value is ₹ 10 per share, and a lot size of 12 shares.
- The ₹ 30,213 cr. IPO is entirely a Fresh Issue of up to 27 cr. shares. There is no Offer for Sale (OFS).
- The IPO offering is about 3% of the market cap of Jio.
- IPO allocation quotas are: QIB up to 50%, NII 15%, Retail 35%.

- All Fresh Issue proceeds will accrue to Jio Platforms. Objects: of the net proceeds, ₹ 27,500 cr. (91%) is for the prepayment of outstanding borrowings of its subsidiary, Reliance Jio Infocomm Ltd. (RJIL), with the remaining amount, allocated towards general corporate purposes.
- The Grey Market Premium is ₹ 254/sh. (19th Oct'26), but it's unofficial and may change before listing.
- IPO allotment is expected by 26th Oct'26, and listing on BSE and NSE is scheduled for 28th Oct'26.

Introduction to Jio

- Jio Platforms Ltd. (Jio) is the digital and telecommunications arm of Reliance Industries Ltd. (RIL), providing digital connectivity, consumer services and enterprise technology solutions across India. It is the #1 telecom firm in India with 52.44 cr. subscribers.
- Jio's reported FY26 revenue from operations of ₹ 1,49,759 cr., EBITDA ₹ 76,255 cr. and PAT ₹ 30,988 cr. Revenue, EBITDA and PAT grew at 16.6%, 17.8% and 19.7%, CAGR resp., between FY24-26. EPS increased from ₹ 23.5 in FY24 to ₹ 33.65 in FY26. (See Fig. 1b.)
- Jio's telecom services are primarily delivered through its subsidiary, Reliance Jio Infocomm Ltd. (RJIL). Jio launched its telecom services in Sept'16 with free voice calls and data under its introductory offer, followed by affordable tariffs. This helped lower telecom rates in India, establish Jio as a major player in India's telecom market and accelerated the adoption and penetration of mobile internet services.
- Jio has a strong position in India's digital connectivity market, with a large subscriber base across mobile, 5G and fixed broadband services, supported by its extensive telecom infra. (See Fig. 1a.)
- Beyond mobile Jio has expanded into digital consumer, TV and enterprise services.

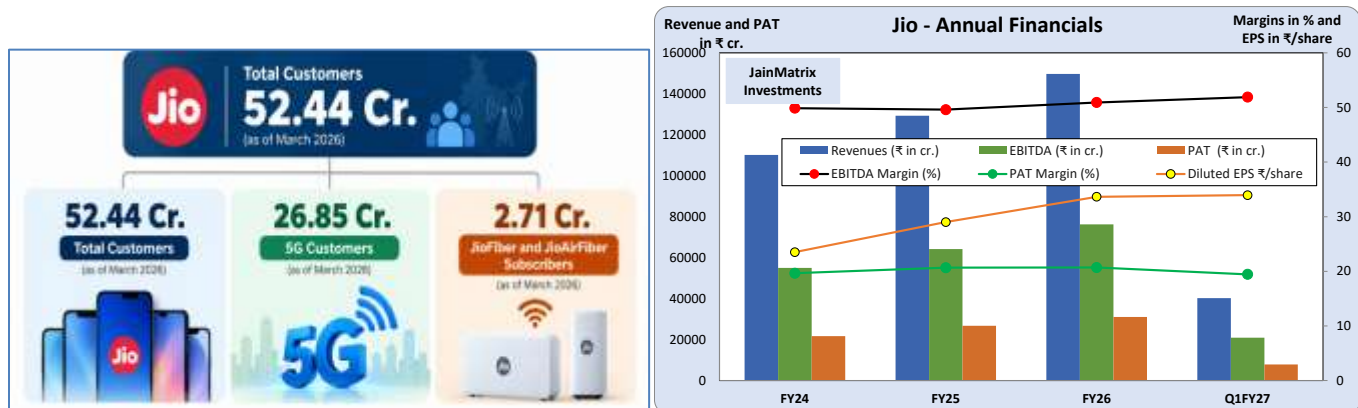


Fig 1a – Jio's Customers, and Fig 1b Jio's Financials

- Jio's Q1 FY27 Revenue was ₹ 40,198 cr., EBITDA ₹ 20,865 cr. and PAT ₹ 7,817 cr. Q1 FY27 performance remained strong (FY27 EPS here is annualised, Q1 FY27 *4), see Fig. 1b.
- Revenue Mix: In FY26, value of services contributed 98.2% of total sales and services, while value of sales accounted for 1.8%. In Q1 FY27, services contributed 97.9%, while sales accounted for 2.1%.
- Jio's ARPU increased from ₹ 181.7 (FY24) to ₹ 215.6 (Q1 FY27), supported by higher data consumption, tariff changes and service bundling.
- Leadership: Mukesh Ambani-Ch'man, Akash Ambani-MD, Pankaj Pawar-CEO & Saurabh Sancheti-CFO.
- Reliance Ind. is the promoter of Jio Platforms, holding 66.43% stake, which will be 64.48% post-IPO.

Business Model, Strategies and News Updates

- Jio connects consumers & enterprises by mobiles, broadband, digital apps & tech solutions. (See Fig. 2a.)

- Jio's consumer ecosystem includes applications and services for entertainment, music, cloud storage and home entertainment. These services complement its connectivity offerings (See Fig. 2b.)

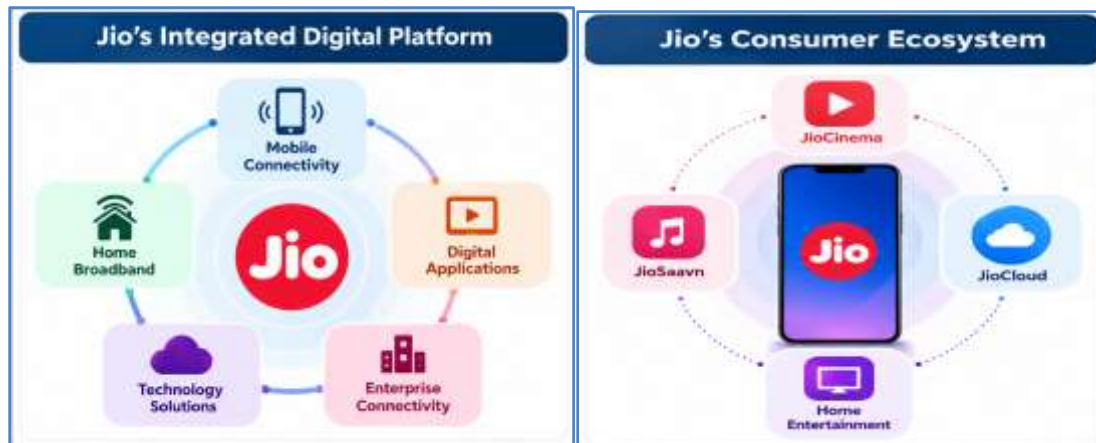


Fig 2a – Jio Integrated Digital Platform, Fig 2b - Jio Consumer Ecosystem

- Jio's enterprise business provides digital connectivity, cloud computing, IoT, managed network services and other technology solutions to businesses.
- Jio's home broadband portfolio includes JioFiber, which provides wired fibre connectivity, and JioAirFiber, which uses fixed wireless access. This combination enables Jio to expand broadband services to more households, including areas where fibre deployment may be difficult or costly.
- Jio has developed an indigenous 4G and 5G technology stack, including network software and infra. This provides greater control over the network and Jio can offer tech solutions to intl. telecom operators.
- Jio's proprietary JioBrain platform uses AI to support network capacity allocation, fault prediction and real-time optimisation. Jio is also expanding its AI and cloud capabilities to support enterprise digitalisation and technology-based services.
- Jio has good network and technology infrastructure. It has 360,537 Network Towers for their operations, of which 174,451 are owned by Summit Digital Infrastructure Ltd., Additionally, they rely on Jio Digital Fibre Private Ltd., for most of their optic fibre network requirements (approx. 98%), aside from the last mile fibre network which is owned by RJIL.
- Oct'26 – Jio received US\$ 25 billion in institutional IPO anchor-investors, nearly 30X the quota. (Reuters)
- Jun'26 – Jio entered the global top 20 in the World Intellectual Property Organization's Patent Cooperation Treaty rankings, becoming the only Indian in the top 20. (Source: Jio PR)
- Jul'26 – JioBrain received the Golden Peacock Award for Innovative Product/Service; Jio was recognised at the Aegis Graham Bell Awards for its Gen AI innovation in customer experience and AI. (Jio PR)
- Apr'26 – Bank of Baroda and Jio partnered to launch BoB World Lite on the JioPhone Prima 4G, enabling feature-phone users to access mobile banking services. (Jio PR)
- Mar'26 – Jio appointed Dan Bailey as President to lead its international business initiatives. (Jio PR)
- Mar'25 – Jio announced an agreement with SpaceX to offer Starlink broadband services to its customers in India, subject to regulatory approvals and commercials. (Jio PR)
- Mar'25 – Jio, AMD, Cisco & Nokia will develop an open telecom AI platform for telecom network. (Jio PR)
- Jio's reported leverage excludes ₹ 1,04,514 cr. of deferred spectrum payments to DoT

Industry Overview

- India's digital economy is expanding, supported by rising internet adoption, mobile data consumption and use of digital services such as apps, video streaming, digital payments and gaming. Adoption of 5G, cloud computing, Internet of Things (IoT) and AI, are creating additional growth opportunities.
- India's total wireless data usage rose 24.74% to 285,376 petabytes (FY26) from 228,779 PB in FY25, reflecting growing demand for high-speed connectivity and data-intensive services. The broadband subscriber base was 107.3 cr. (Apr'26), while total subscribers were 133.7 cr. (IBEF) See Fig 2c
- Enterprise digitalisation is driving demand for cloud computing, cybersecurity, managed IT services, business applications and AI-based solutions.
- India's enterprise cloud market is estimated to grow from ₹ 36,800 cr. in FY26 to ₹ 1,02,900 cr. by FY31, while the enterprise IoT solutions market is projected to increase from ₹ 22,500 cr. to ₹ 42,200 cr. Jio's addressable enterprise digital services market is estimated at ₹ 4.30 lakh cr. in FY26 and is projected to grow to ₹ 10.16 lakh cr. by FY31, more than doubling over 5 years. This means significant growth opportunities, enabling Jio to expand its enterprise business. (Source Jio RHP).
- India's telecom sector gross revenue rose by 8.59% YoY to ₹ 4.04 lakh cr. in FY26, over ₹ 3.72 lakh cr. in FY25. See Fig 2d. The Union Budget 2026–27 allocated ₹ 73,990 cr. to the DoT, supporting continued investment in telecom infra and connectivity expansion. Competition in digital connectivity remains strong, with operators investing in spectrum, network coverage and technology.

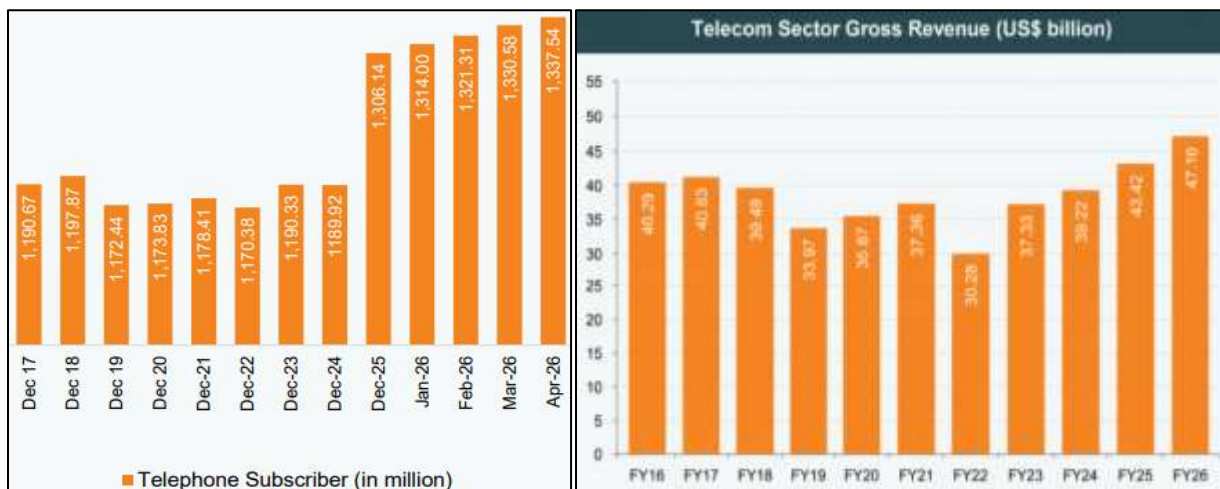


Fig 2c - Telephone Subscriber and Fig 2d - Telecom Sector Revenue

- The outlook of telecom services is robust. Growing enterprise digitalisation also presents opportunities for the sector to expand its digital services business. However, the industry's challenge is to convert these opportunities into sustainable revenue growth and profitability based on customer adoption, competitive offerings, execution capabilities and continued investment in tech and infra, eg. 6G.
- Jio is India's largest telecom operator, holding a 39.31% wireless subscriber market share (TRAI Aug'26).

Financial Performance and Stock Evaluation

- Jio maintained strong growth over FY24–FY26 in Fig 1b, driven by rising data consumption and expanding digital services. In FY26, revenue increased 14.6% YoY to ₹ 1,46,885 cr., EBITDA grew by 18.8% to ₹ 76,255 cr., and PAT rose by 16% to ₹ 30,988 cr.
- The PE of Jio is 33.25X, and PEG based on 16.6% revenue growth is 2X.

- The financial metrics (Fig. 3a) reflect Jio performance, as EBITDA margin improved to 51.9% in FY26, reflecting strong operating profitability. However, depreciation, finance costs and continued network investment remain key factors affecting earnings and cash generation.

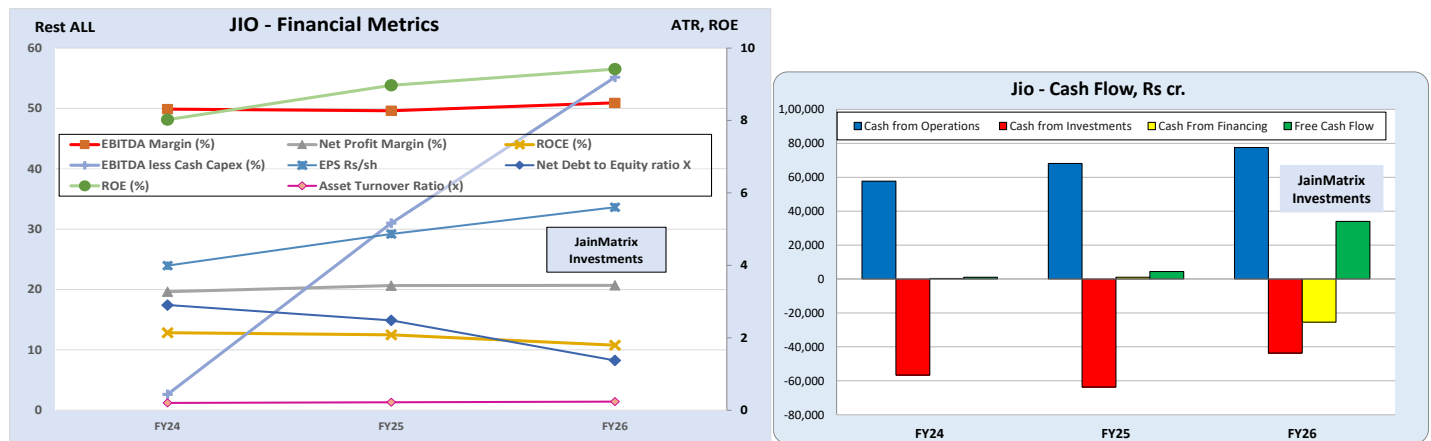


Fig 3a - Jio Financial Metrics, Fig 3b - Cash Flow; above and Fig 3c - Shareholding Pattern



- Cash flow from operations increased from ₹ 57,662 cr. in FY24 to ₹ 77,556 cr. in FY26. See Fig 3b.
- Free cash flow remained positive across all three years, recovering to ₹ 34,000 cr. in FY26 after declining in FY25, indicating improved cash generation alongside continued investments. (See Fig. 3b)
- Jio continues to require substantial investment in property, plant and equipment, spectrum and other intangible assets to expand and upgrade its network.
- Reliance Industries is Jio Platforms' promoter and largest shareholder, holding 66.4% pre-IPO. See Fig. 3c. Other major investors include Jaadhu Holdings (Meta affiliate) at 9.98% and Google Intl. at 7.73%. Post-IPO, Reliance's stake is to decline to 64.5%, while QIBs, HNIs and retail investors will broaden public participation. Reliance will continue to retain majority control.
- The IPO is of just 3% of shareholding of Jio, but gives a permanent window to past investors to sell, as well as wider participation by new buyers – retail and institutional.

Benchmarking

Jio is benchmarked against telecom operators and selected tech. and infra. companies (See Fig. 4a).

- Valuation metrics: Jio's P/E appears reasonable compared with the Indian telecom peers.

- However, its EV/EBITDA and Market Cap/Revenue multiples are above average, and indicate a premium valuation compared with several peers, reflecting its digital ecosystem and growth potential.
- Jio's EBITDA margin of 49.97% is strong compared with most peers, while its net profit margin is also among the highest in the group. However, these are below those of Bharti Airtel and Bharti Hexacom.
- Jio's 3-year revenue growth leads the group. On profit, it lags Bharti Airtel and Bharti Hexacom. On profit margin, it is the leader, while on Operating margin, again, it lags Bharti Airtel and Bharti Hexacom.
- Jio maintains a sound balance sheet with relatively low leverage. On D/E it leads. However, its ROCE and ROE are lower than those of several peers, indicating scope to improve returns on capital.
- Verizon and AT&T provide useful international comparisons, although differences in market maturity and business mix should be considered.

Particulars	Jio Platform	Bharti Airtel Ltd	Bharti Hexacom	Tata Comm. Ltd	Reliance Industries	Larsen & Toubro Ltd	Verizon Comm. Usa	AT&T
Sales (₹ in cr.)	1,46,885	2,20,049	9,601	26,014	11,23,055	2,90,137	13,12,815	11,93,656
EBITDA (₹ in cr.)	49,152	74,263	3,022	2,533	1,45,008	38,689	4,74,972	4,40,800
Profits (₹ in cr.)	30,049	36,413	1,824	1,089	88,167	19,624	1,67,276	2,08,946
Market Cap (₹ in cr.)	10,30,491	11,79,696	80,753	48,849	16,30,129	5,02,174	17,67,855	15,25,890
PE (x)	33.25	37.8	43.69	40.37	21.84	28.54	11.67	7.73
Price to book value	2.98	7.77	11.25	14.39	1.86	4.6	1.76	1.46
EV/EBITDA	14.37	10.45	16.38	11.24	9.25	14.1	7.55	7.27
Market Cap/Revenues	7.02	5.36	8.41	1.88	1.45	1.73	1.35	1.28
3 Yr CAGR Sales (%)	16.6	14.88	12.45	11.61	6.4	15.96	0.33	1.34
3 Yr CAGR Profit (%)	19.7	45.27	45.73	-15.22	5.23	17.38	-6.86	24.19
Debt to equity ratio (x)	0.25	1.31	0.86	3.93	0.45	1.15	1.5	1.29
EBITDA Margin (%)	49.97	56.87	52.62	19.85	16.34	12.5	36.3	36.9
Net Profit Margin (%)	20.53	15.99	18.17	4.23	8.74	6.76	12.74	17.4
RoCE (%)	12.08	17.56	21.37	14.63	10.26	14.57	11.09	8.26
Return on Equity (%)	9.41	20.27	25.95	32.61	8.91	15.86	17.06	18.13
Dividend Yield (%)	0	1.26	1.1	1.01	0.5	1.04	6.32	4.7

Fig 4a Benchmarking

Overall, Jio stands out for its fair valuations, healthy growth, strong margins, and low leverage. The business has stabilized, established a good market share and healthy balance sheet, with cheaper services at scale.

SWOT Analysis



We capture the SWOT of Jio in Fig 4b SWOT

Opinion, Outlook and Recommendation

- **Why Jio:** It's launch in 2026 disrupted India's telecom market, and it has in 10 years grown in stature to the #1 player by customers and #2 by revenues. Mobile penetration is fair in India, so high growth may continue due to growing users, higher demand, value added services, affluence, ecommerce and digital govt. services. Jio has an integrated ecosystem of mobile connectivity, consumer applications and enterprise technology solutions. Strong brand, new platform services and international opportunities will support its long-term growth.
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- **Opinion:** Buy

Disclaimers and Disclosures

- Punit Jain discloses that he has no shareholding in Jio, or any group company. In addition, JainMatrix Investments Bangalore (JMI) and its promoters/ employees also have no direct or financial interest in Jio, and no known material conflict of interest as on date of publication of this report. Punit Jain may take part in the IPO in line with his reported views.
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