

# Q4 & FY 2016 Investor Update



## Safe Harbor

Certain statements in this release reflecting our future growth prospects are forward – looking statements which involve a number of risks and uncertainties that could cause results to differ materially from those in such forward looking statements. The risks and uncertainties relating to these statements include but are not limited to risks and uncertainties with respect to fluctuation in earnings, our ability to manage growth, intense competition on IT services including these factors which may affect our cost advantage, cost of resources, introduction of regulations that might impact the prospects, our ability to successfully complete the planned projects, general economic conditions affecting our industry. The Company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company.



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## Highlights for Financial Year - 2015-16:

- ✓ Tanla becomes the largest A2P messaging platform in the world, with 44 Bn messages processed for the year.
- ✓ Revenues increased by 78% to INR 431.5 Crores.
- ✓ PAT increased by 358% to INR 11.9 Crores.
- ✓ Interim dividend of 20% declared and paid.

## Financial Highlights :

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- ✓ Increase in annual revenue of 78% from INR 242.5 Crs in FY15 to INR 431.5 Crores in FY16.
- ✓ QoQ increase in total revenue of 5% from INR 108.6 Crs in Q3FY16 to Rs.113.8 Crores in Q4FY16.
- ✓ YoY increase in total revenue of 30% from Rs. 87.4 Crores in Q4FY15 to Rs. 113.8 Crores in Q4FY16.
  
- ✓ Gross margin up by 14% from INR 101 Crores in FY15 to INR 115 Crores in FY16.
- ✓ QoQ gross margin up by 1% from INR 30.4 Crores in Q3FY16 to INR 30.8 Crores in Q4FY16.
- ✓ YoY gross margin up by 14% from INR 26.9 Crores in Q4FY15 to INR 30.8 Crores in Q4FY16.
  
- ✓ EBIDTA stands at INR 69.7 Crores in FY16 as against INR 75.9 Crores in FY15.
- ✓ QoQ EBIDTA stands at INR 16.6 Crores in Q4FY16 against INR 18.7 Crores in Q3FY16.
- ✓ YoY EBIDTA stands at INR 16.6 Crores in Q4FY16 against INR 21.9 Crores in Q4FY15.
  
- ✓ EBIDTA has been impacted due to an increase in other expenses as a result of a one-off charge of INR 3.3 Crores towards loss on sale of assets. In addition due to increased deployments during the year, deployment and travel costs have increased.

## Financial Highlights :

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- ✓ Net profit before tax up by 224% from INR 5.5 Crores in FY15 to INR 17.8 Crores in FY16.
- ✓ Net profit before tax stood at INR 3.1 Crores in Q4FY16 against INR 5.6 Crores in Q3FY16.
- ✓ Net profit before tax stood at INR 3.1 Crores in Q4FY16 against INR 6.9 Crores in Q4FY15.
  
- ✓ Net profit after tax up by 358% from INR 2.6 Crores in FY15 to INR 11.9 Cr in FY16.
- ✓ Net profit after tax stood at INR 0.39 Cr in Q4FY16 against INR 4.3 Crores in Q3FY16 and INR 4.8 Crores in Q4FY15, due to a sharp increase in provision for regular income tax instead of MAT.
  
- ✓ Cash balance up by 70% from INR 30 Crores in FY15 to INR 51 Crores in FY16.
- ✓ Improved realization on debtors, with debtor days going from 217 in FY15 to 77 days in FY16.
- ✓ Tanla remains a debt-free company since inception.

# Business Highlights :

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## International

- ✓ Q4 was the first full quarter for operations for Singapore hub and processed 640 Mn messages for the quarter and 785 Mn messages during the year.
- ✓ Agreements have been executed with social media networks, search engines and OTT players during the year. During the quarter an agreement has been executed with a business social network for provision of A2P messaging services in India as well as to other international markets.
- ✓ Partnered with 3 telecom operators for processing messages terminating into India.
- ✓ Executed agreement with global hub of a Telecom Service provider for provision of international A2P messaging services globally.
- ✓ Tanla now processes 30% of international messages terminating in India.

## Domestic:

- ✓ Domestic messaging hub has processed 43 Bn in FY16 compared to 27 Bn in FY15 up by 60%.
- ✓ Tanla has over 60% market share of the domestic A2P messaging market.

# Business Highlights :

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## Payments:

- ✓ Number of transactions processed in FY16 is 180 Mn.
- ✓ Revenue for payments business has grown by 10%.
- ✓ New customers added during the year include leading content & game publishers from Asia and Europe.

## Corporate Highlights:

- ✓ KPMG has been re-appointed as the internal auditors for FY17.
- ✓ KPMG will also monitor the annual operating plan for FY17.
- ✓ The Board declared Interim dividend @20% (Re.0.20/- per equity share of Re.1/- each) on March 16, 2016 which shall be considered as the final dividend for the year.
- ✓ Rating of CARE A minus for long term facilities and CARE A2 plus for short term facilities received from CARE ratings.

# Consolidated Financial Data - Fact Sheet

₹ in Mn

Particulars	Year ended March 31		Change over previous year
	2016	2015	%
Income from Operations :			
Overseas	1,368.90	925.60	48%
Domestic	2,946.60	1,499.30	97%
<b>Total Income from Operations (A)</b>	<b>4,315.50</b>	<b>2,424.90</b>	<b>78%</b>
Other Income :			
Interest Income on Fixed Deposits	10.59	52.30	-80%
Forex Fluctuation	-	-	-
Total Other Income (B)	10.59	52.30	-80%
<b>Total Revenue (A)+ (B)</b>	<b>4,326.09</b>	<b>2,477.20</b>	<b>75%</b>
Expenses :			
Operating Expenses (C )	3,165.40	376.07	108%
Diminution in Value of Investment (D)	-	-	-
<b>Total Expenses (C )+ (D)</b>	<b>3,165.40</b>	<b>1,413.90</b>	<b>124%</b>
% Total Revenue	73.17%	57.08%	28%
Gross Profit :			
<b>Gross Profit from Operations (A-C)</b>	<b>1,150.10</b>	<b>1,011.00</b>	<b>14%</b>
% Total Revenue	26.59%	40.81%	-35%



Particulars	Year ended March 31		Change over previous year
	2016	2015	%
Other Income net of Diminution in Value of Investments (H)	10.59	52.30	-80%
<b>EBIDTA ( E)</b>	<b>696.93</b>	<b>759.14</b>	<b>-8%</b>
Depreciation & Amortization :			
Normal Depreciation (F)	529.50	756.78	-30%
Depreciation on account of Currency Translation (G)	-	-	-
Total Depreciation & Amortization (F+G)	529.50	756.78	-30%
Net Profit/(Loss) after Depreciation on account of Currency Translation {E-F}	167.43	2.36	
<b>Net Profit / (Loss) after Depreciation (E-F-G+H)</b>	<b>178.10</b>	<b>54.66</b>	<b>226%</b>
Provision for Taxation :			
Current Tax	53.50	9.84	444%
Deferred Tax	5.40	18.92	-71%
<b>Net Profit / (Loss) after Tax</b>	<b>119.14</b>	<b>25.90</b>	<b>360%</b>
<b>Earnings Per Share (of Face value ₹ 1/- each)</b>	<b>1.17</b>	<b>0.26</b>	<b>360%</b>

## Revenue by geography

in %

Particulars	Quarter Ended		
	March 31 2016	Dec 31 2015	March 31 2015
India	68.3%	61.2%	61.8%
ROW	31.7%	23.5%	38.2%

## Currency Variance

in ₹

Particulars	Quarter Ended		
	March 31 2016	Dec 31 2015	March 31 2015
GBP	95.19	98.14	92.54
USD	66.14	66.20	62.53

## Revenue from Property Segment

₹ in Mn

Particulars	Quarter Ended		
	March 31 2016	Dec 31 2015	March 31 2015
Revenue	20.00	20.00	58.78
EBIDTA	9.00	8.50	23.90
EBIDTA (in %)	43%	45%	37%