



Tanla Platforms Limited
(Formerly known as Tanla Solutions Limited)
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May 7, 2022

To,

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Scrip Code: 532790	National Stock Exchange of India Ltd. “Exchange Plaza” Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051 Symbol: TANLA
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Dear Madam/Sir,

Sub: Updated Investor Update for the quarter and year ended March 31, 2022

As requested by the investors have included an additional slide (#39), with volumes on Trubloq. The Investor Update with this slide included is attached herewith and uploaded on https://www.tanla.com/media/images/Investor/fy2022/Tanla_Investor_Update_Q4_FY22.pdf.

Yours faithfully,

For **Tanla Platforms Limited**
(Formerly known as Tanla Solutions Limited)

Seshanuradha Chava
General Counsel and Chief Regulatory Officer
ACS-15519



FY-2022 Investor Update



Disclaimer

The CPaaS business is evolving at a fast pace in India with very little information available in the public domain on the overall market. The financial community has always sought a response on the total market size, key drivers of the industry and the competitive landscape in this space. In order to provide more transparency and to help understand our business better, we are providing indicative data around the market size and our relative share (assuming the indicative data). This indicative data has been arrived at basis our detailed internal analysis. This is being done with an intent to provide an indicative picture of the industry and address queries about the CPaaS space. This must not be seen as a positioning statement of the company, and one should not rely on the company's disclosure for their assessment of the market size.

This presentation contains statements that include information concerning our possible or assumed strategy, future operations, financing plans, operating model, financial position, future revenues, projected costs, competitive position, industry environment, potential growth opportunities, potential market opportunities, plans and objectives of management, as well as assumptions relating to the foregoing that involve substantial risks and uncertainties. All statements other than statements of historical fact could be deemed forward-looking in nature. Such statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. In some cases, although not all forward-looking statements contain these identifying words, you can identify forward-looking statements by terminology such as “expect,” “anticipate,” “should,” “believe,” “hope,” “target,” “project,” “plan,” “goals,” “estimate,” “potential,” “predict,” “may,” “will,” “might,” “could,” “intend,” “shall,” and variations of these terms or the negative of these terms and similar expressions. The forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements, expressed or implied by the forward-looking statements. It is advisable not to place excessive reliance on any of the forward-looking statements. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved, if at all. Additionally, these forward-looking statements, involve risk, uncertainties and assumptions based on information available to us as of 28/04/22, including those related to the continued impacts of COVID-19 on our business, future financial performance and global economic conditions. Many of these assumptions relate to matters that are beyond our control and changing rapidly, including, but not limited to, the timeframes for and severity of social distancing and other mitigation requirements, the timing of headwinds from COVID-19, the availability of vaccinations, the continued impact of COVID-19 on new or existing customers, business decisions and the length of our sales cycles, renewal timing or billings terms, particularly for customers in certain industries highly affected by COVID-19.

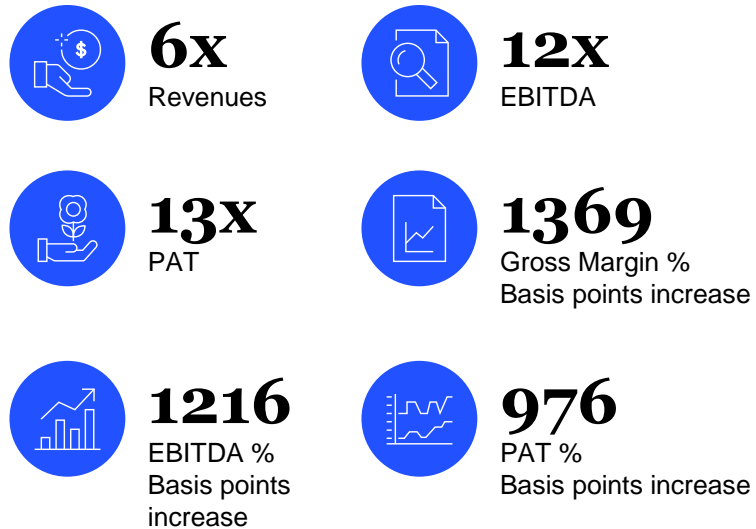
If the risks or uncertainties ever materialize or the assumptions prove incorrect, our results may differ materially from those expressed or implied by such forward-looking statements. We assume no obligation and do not intend to update these forward-looking statements or to conform these statements to actual results or to changes in our expectations, except as required by law.

This presentation contains statistical data, estimates and forecasts that are based on independent industry publications or other publicly available information wherever possible, as well as other information based on our internal sources. This information involves many assumptions and limitations, and you are cautioned not to place excessive weightage to these estimates. We have not independently verified the accuracy or completeness of the data contained in these industry publications and other publicly available information, wherever referred. Certain statements that might or might not be forward-looking statements represent our management's beliefs and assumptions only as of the date of this presentation. Accordingly, we make no representations as to the accuracy or completeness of that data nor do we undertake to update such data after the date of this presentation.

By receiving this presentation you acknowledge that you will be solely responsible for your own assessment of the market and our market position and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of our business. Any logos or trademarks other than Tanla, Karix, Gamooga, Trubloq & Wisely included herein are the property of the owners thereof and are used for reference purposes only.

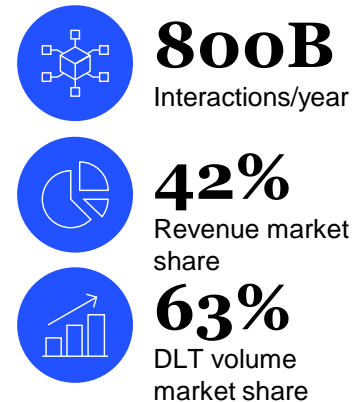
State of the business: leading innovation, growth and value creation

High Growth Best in Class margins and free cash flow profile in 6 years from FY2017-22



Accelerated Innovation

CPaaS Market leader in India



MEFFYS AWARDS
Won in the Enterprise Communication category

wisely

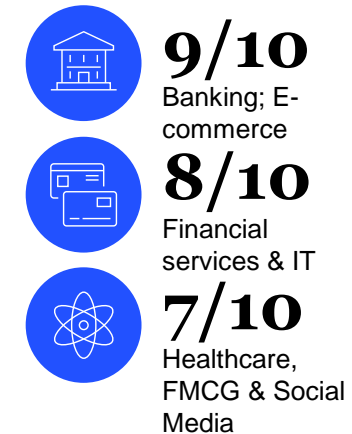
3 patents awarded
Exclusive multiyear partnership with VIL
Exclusive partnership with True caller
Co-sell partnership with Microsoft

TRUBLOQ

World's first block chain enabled CPaaS stack
Trusted by over 50,000 enterprises

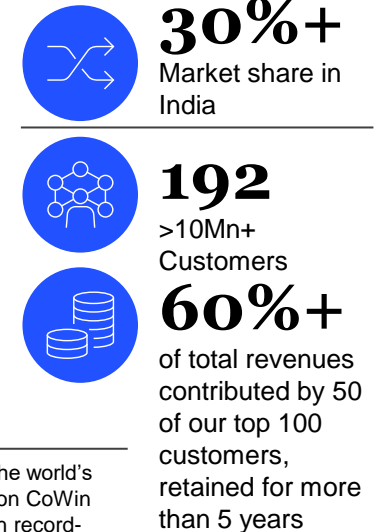
Enterprise segment market leader

Choice of leaders across industry

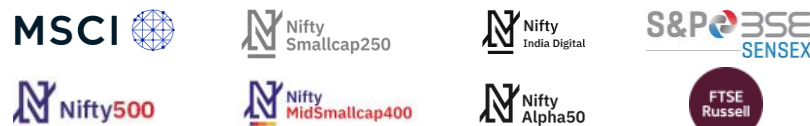


Powering digital communications for the world's largest vaccination drive for covid-19 on CoWin platform through NIC & NHP, India with record-breaking performance of 30,000 TPS

Enterprise segment market leader



Listed in Indices:



Product



Processed **critical transactions** for **leading banks** in India

Launched early access program for **Wisely-Truecaller** Business messaging with signups across leading retail, BFSI and ecommerce enterprises

Vodafone Idea (Vi) is now live on Wisely Network to enhance performance for the entire international messaging traffic.

New Features

All functionality required to process any **international traffic** to India over Wisely is now developed and Live.

Campaign Manager Application to help enterprises seamlessly process large campaigns effortlessly developed.

Product



32bn transactions processed in March 2022

Daily average of **1.06 bn**

63% volume market share

Impact of Trubloq

44% decrease in SPAM complaints

6858 entities, **23161** headers and **104473** content templates have been rejected so far providing safe and efficient communication

Experience breakthroughs in every industry



Increase in **21%** App downloads and **29%** Click- Through Rate



2.5x response rate in customer engagement

SHOPPERS STOP



2x increase in customer engagement
Improved App adoption by **30%** in 2 months



21-22 results [year-over-year growth & margins]



Revenue Growth

37%



Gross profit growth

57%

→ 28% Margin



EBITDA Growth

62%

→ 22% Margin



Free Cash Flow

₹ 4,248 Mn



PAT Growth

51%

→ 17% Margin



Earnings Per Share

39.77

→ 57% Growth



Operating Cash Flow

₹ 4,864 Mn

→ 90% of PAT

Q4 results [year-over-year growth & margins]



Revenue Growth

32%



Gross profit growth

38%

→ 29% Margin



EBITDA Growth

37%

→ 22% Margin



Free Cash Flow

₹ 444 Mn



PAT Growth

37%

→ 17% Margin



Earnings Per Share

10.36

→ 37% Growth



Operating Cash Flow

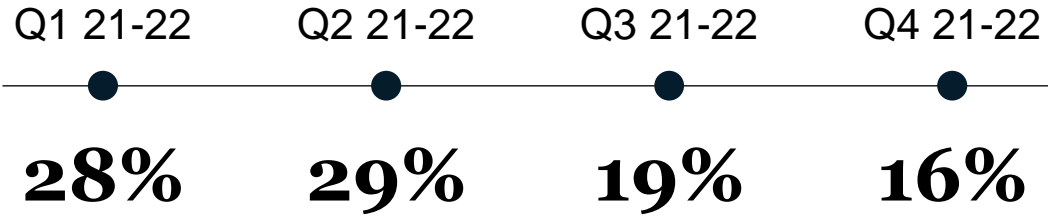
₹ 716 Mn

→ 51% of PAT

Robust growth across customer segments

20-21 21-22

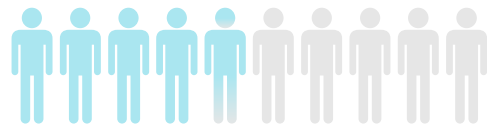
Growth year-over-year for > ₹10Mn+ customers



₹500Mn+ customers at 17, grew by **42%**

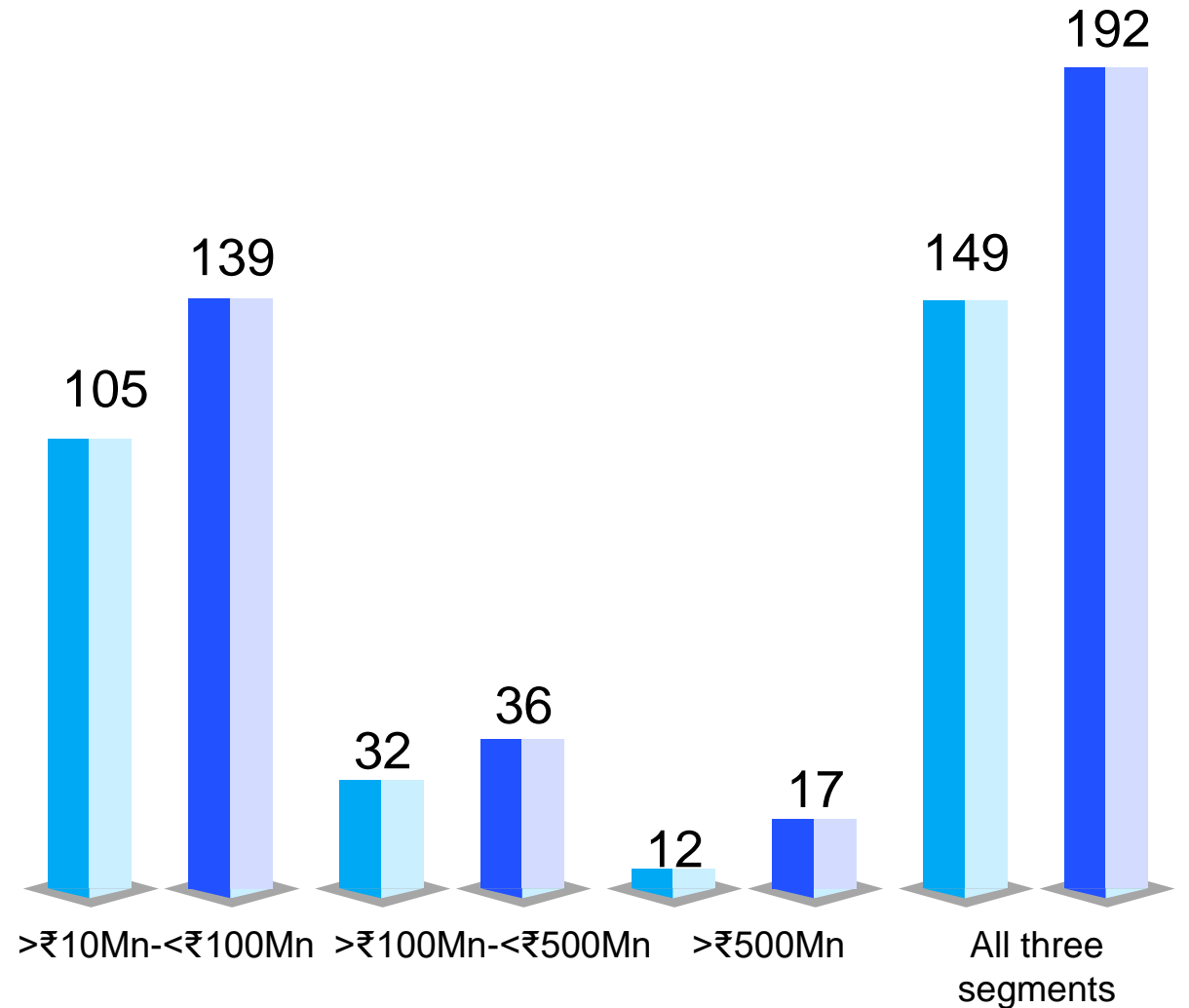


₹100Mn-₹500Mn customers at 36, grew by **13%**



₹10Mn-₹100Mn customers at 139, grew by **32%**

No of customer

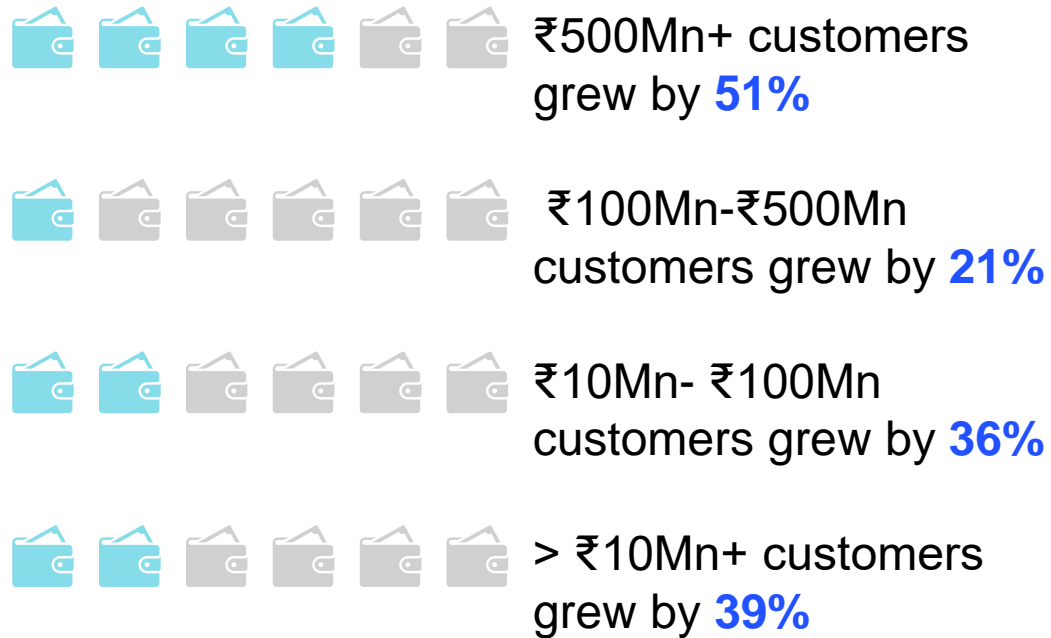
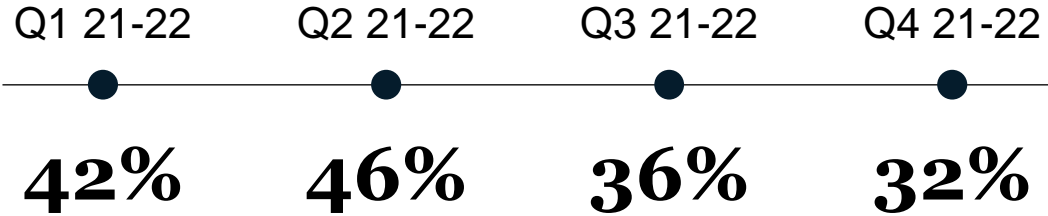


Customer segments for the quarter are arrived at on a quarterly annualized basis

Increased wallet share across customer segments

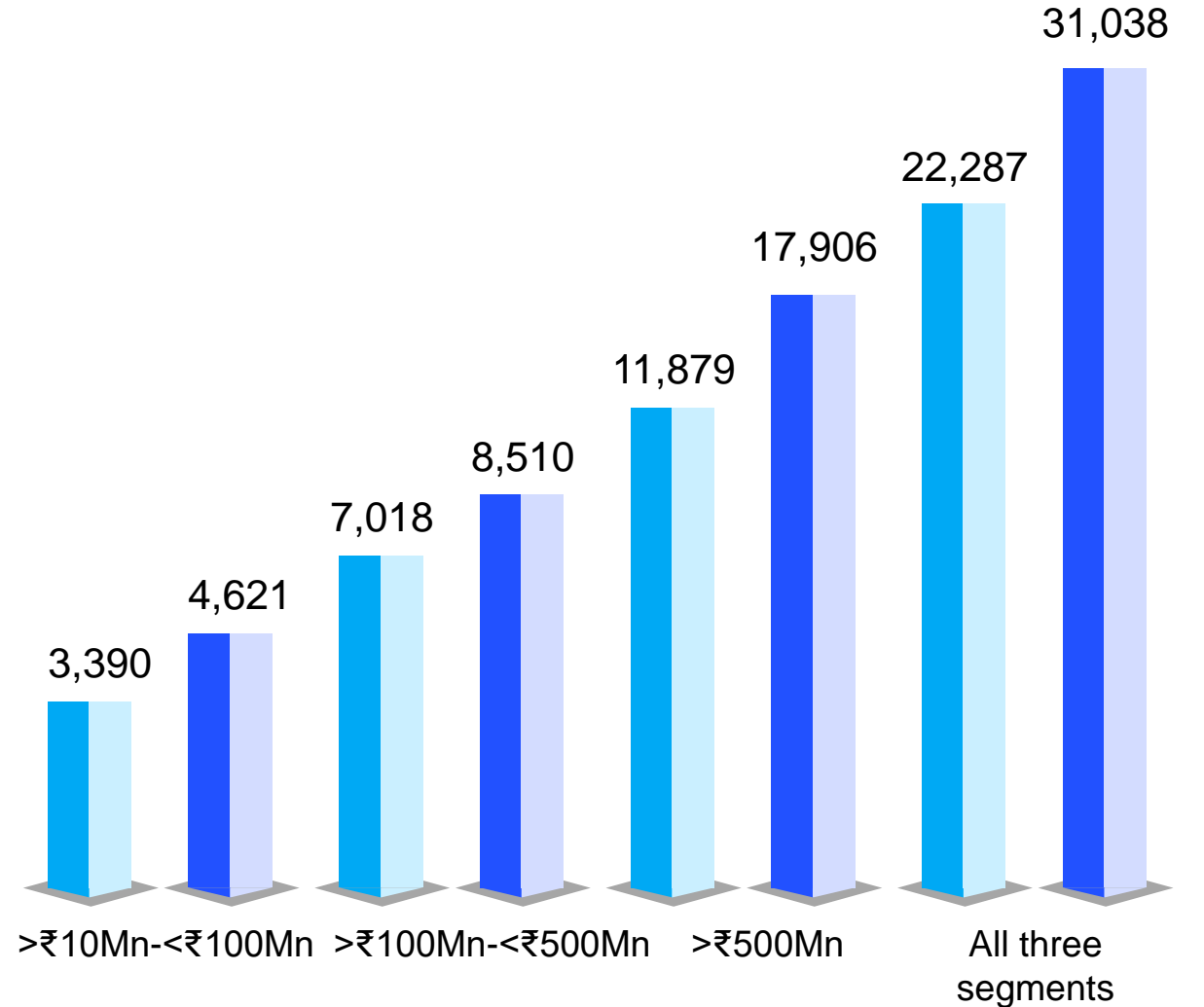
20-21 21-22

Growth year-over-year for > ₹10Mn+ customers



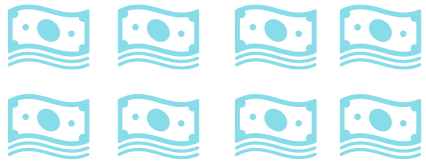
Customer segments for the quarter are arrived at on a quarterly annualized basis

(₹ Million)



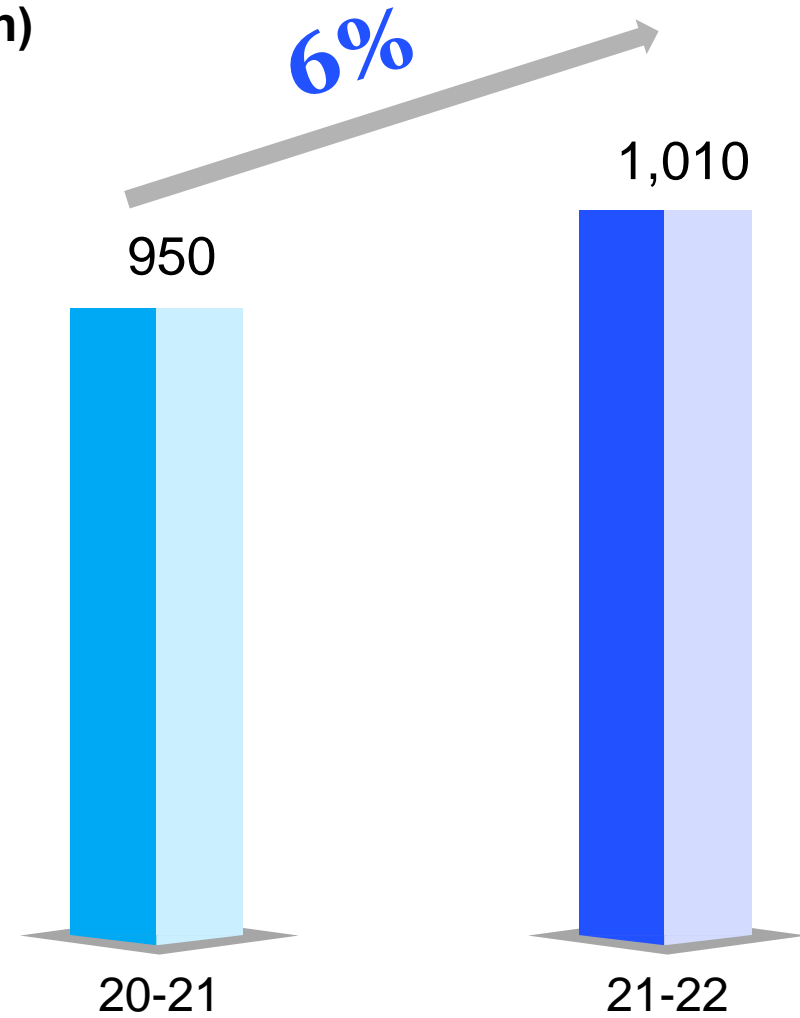
Strong new customer additions

New customer additions



Revenue from new customers at ₹1,010 Mn

(₹ Million)



New customers include every unique contracting entity added during the year

Top 20 Customer concentration going down

Revenue from top twenty customers

(₹ Million)

20-21

21-22

14,784

19,401



Revenue from our top 20 customer grew by **31%**

63%

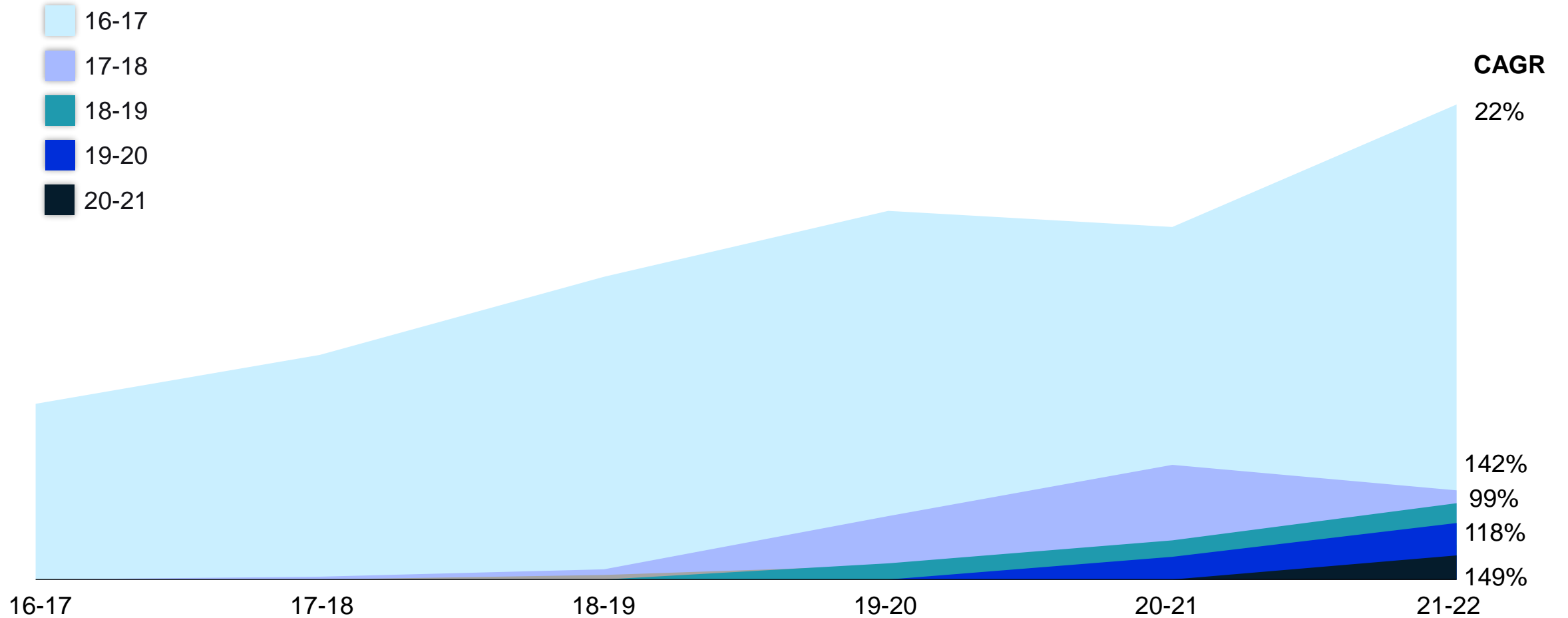
61%

20-21

21-22

Top 20 customers concentration

Lasting relationships driving growth over long periods



Note: Represents revenue from our active customers grouped by cohorts based on the year when each customer account cohort originated
 Cohorts of 16-17 also includes customers acquired during prior period
 Customer data compiled also includes customers of Karix and Gamooga from pre acquisition period

Operating significantly above Rule of 40

Revenue growth EBITDA margin %

Rule of 40

20-21

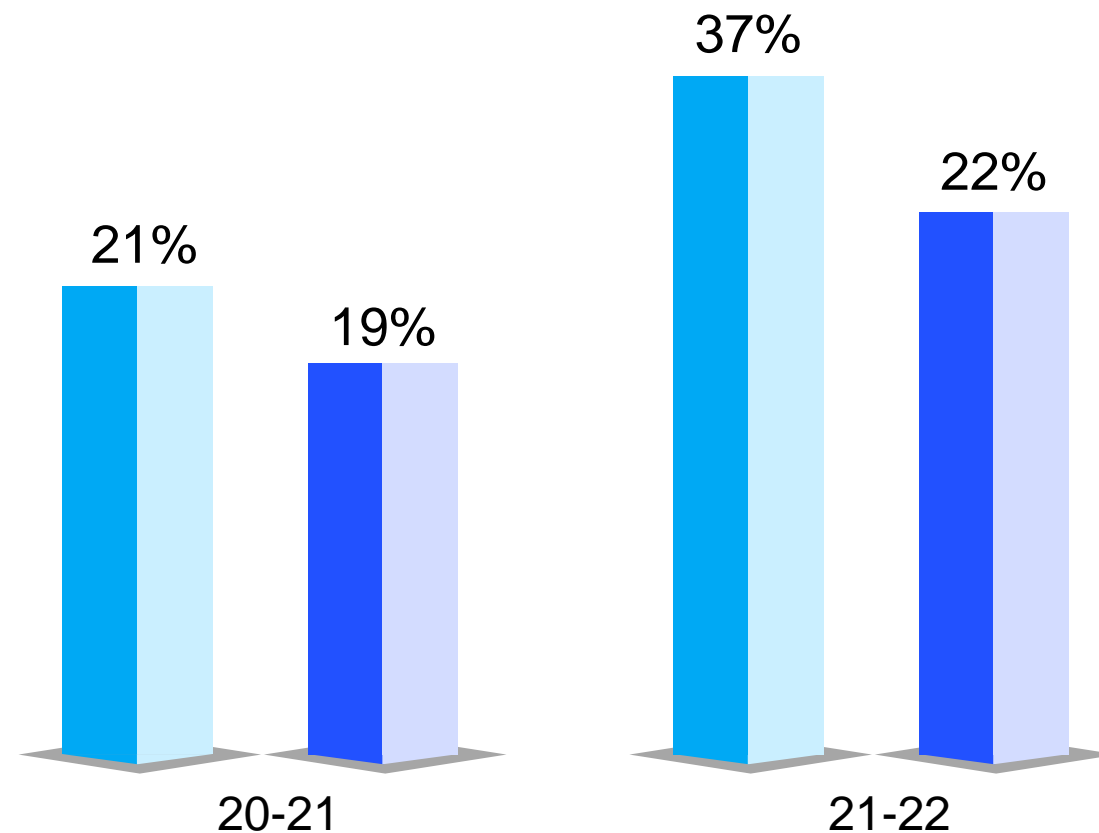
21-22

40%

59%

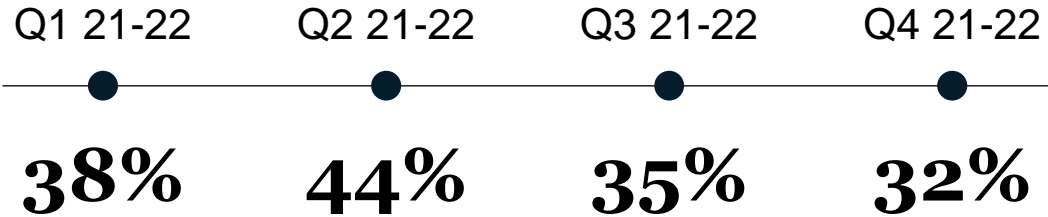


SaaS companies target to operate at Rule of 40 (revenue growth + EBITDA%)

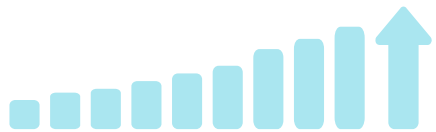


Revenue milestone of ₹ 3000 Crore

Growth year-over-year

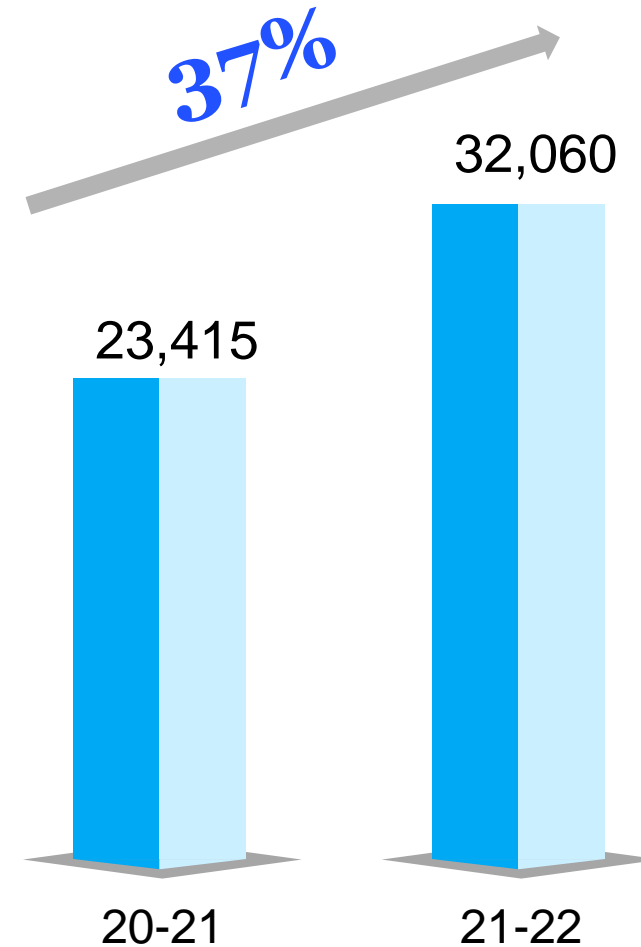


Revenue growth led by increased volumes, price change, Trubloq and growth in OTT channels



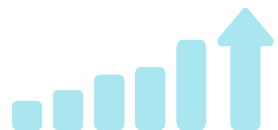
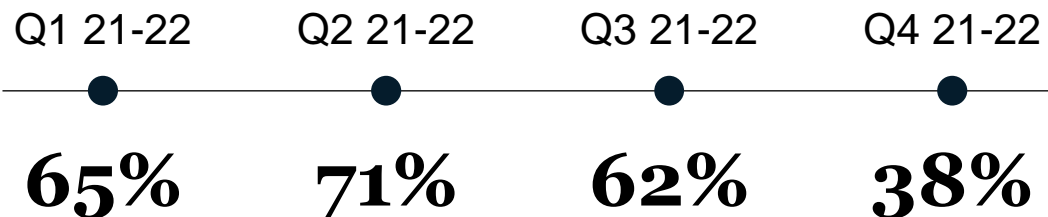
Growth driven by BFSI, Retail & Government

(₹ Million)



Focus on platforms and products drive gross profit

Growth year-over-year



Gross profit growth of **57%**



Gross margin at **28%**, improved by **365 bps**

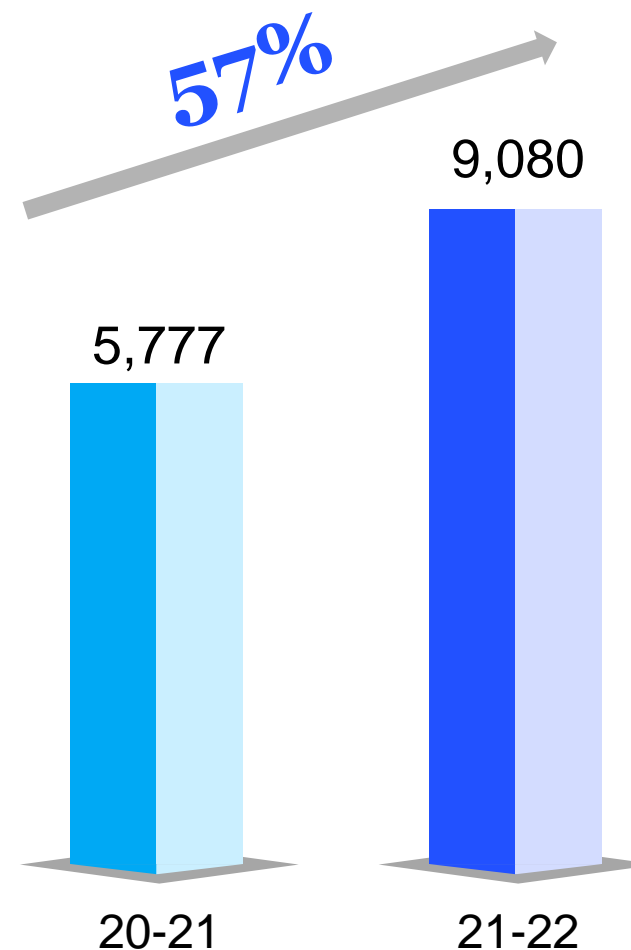


Platform business gross margin contribution to total at **26%**

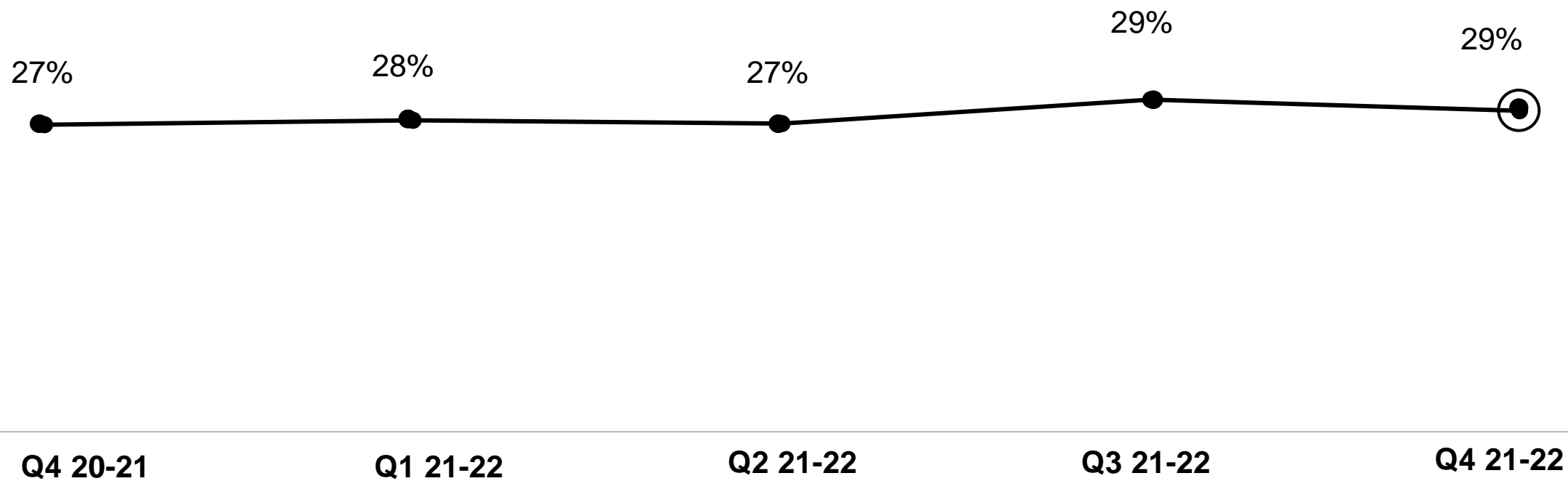


Enterprise business gross margin contribution to total at **74%**

(₹ Million)

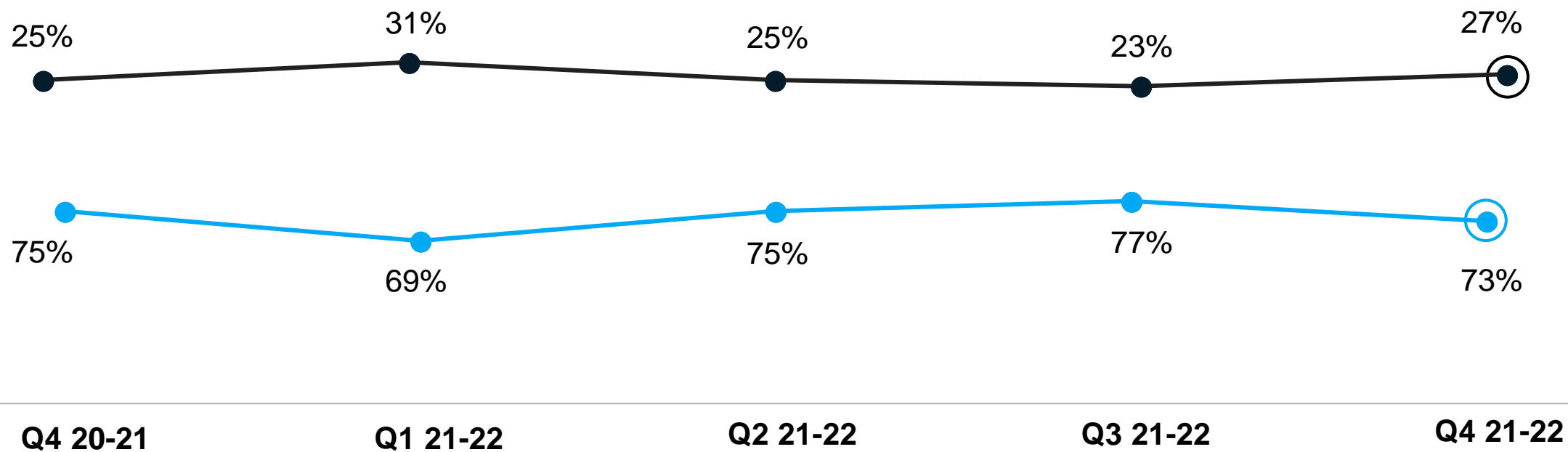


Gross margins



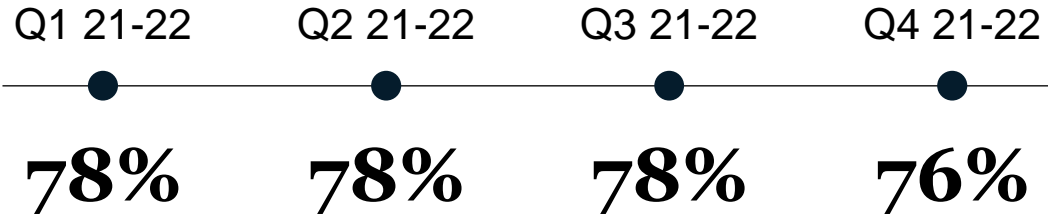
Gross margins mix

— Platform business GM contribution
— Enterprise business GM contribution



Improving efficiency metrics

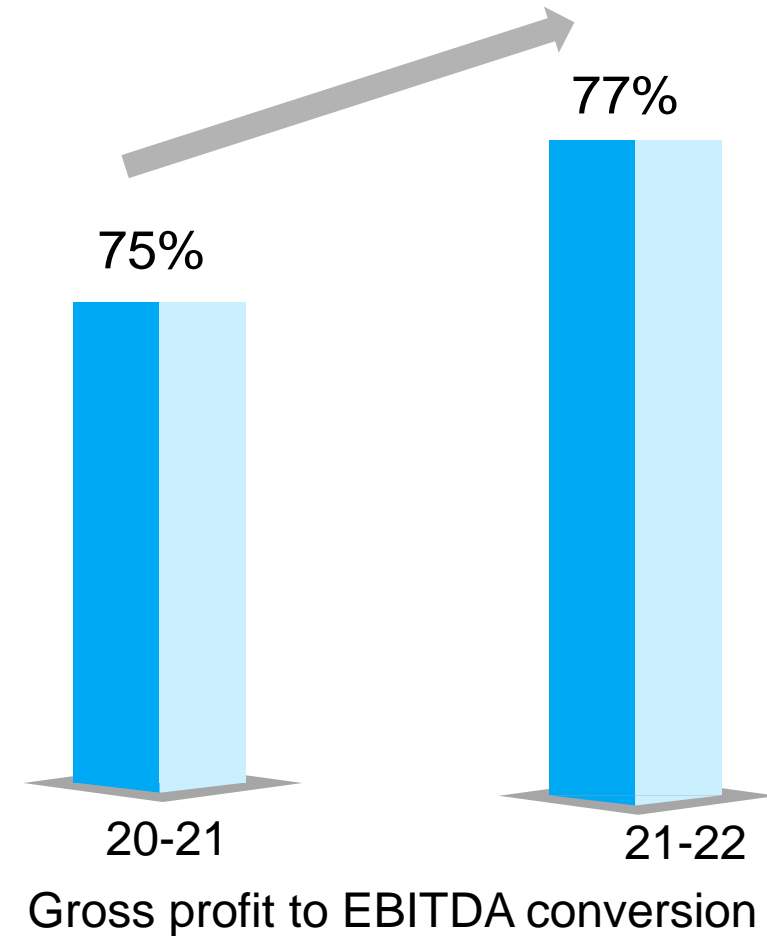
Gross profit to EBITDA conversion



₹ ₹ ₹ ₹ ₹ ₹ Gross profit to EBITDA conversion at **77%**

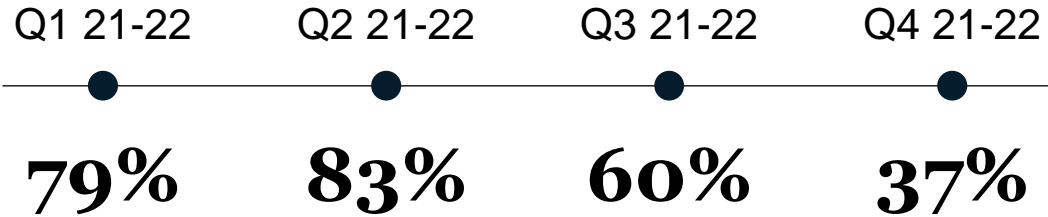
₹ ₹ ₹ ₹ ₹ ₹ Salary cost at **14%** of gross profit in 21-22, as against 15% in 20-21

₹ ₹ ₹ ₹ ₹ ₹ Other indirect cost at **9%** of gross profit in 21-22, as against 10% in 20-21



Strong EBITDA growth

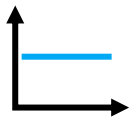
Growth year-over-year



EBITDA margin at **22%**, improved by 333 basis points

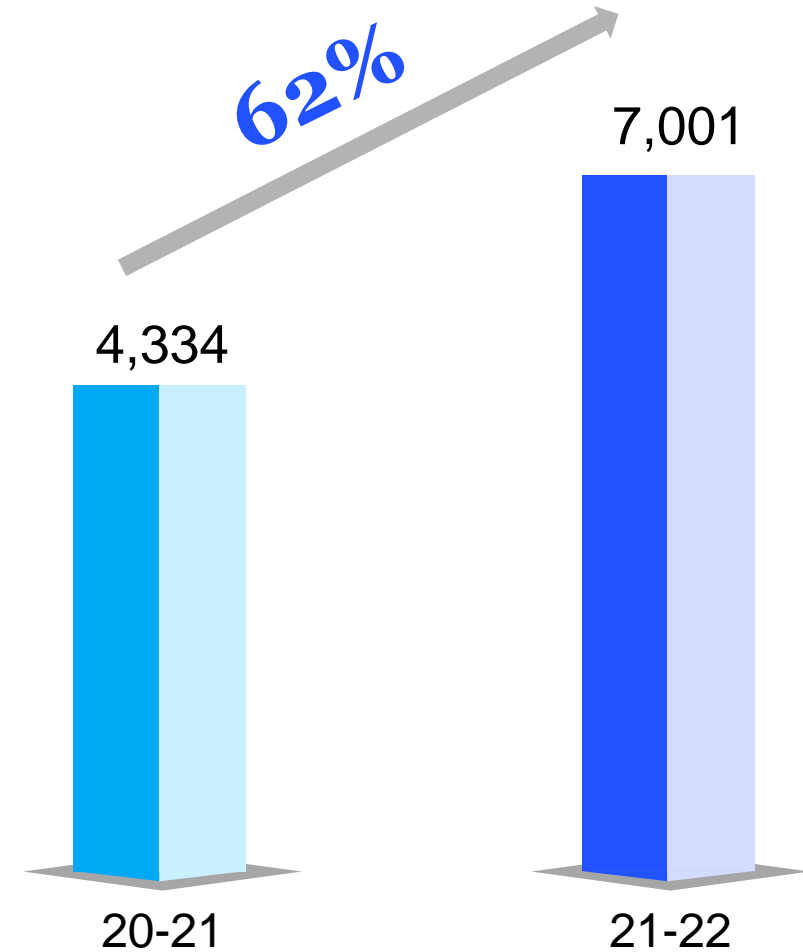


Salary cost increased by **₹409 Mn** driven by new hires and salary increments



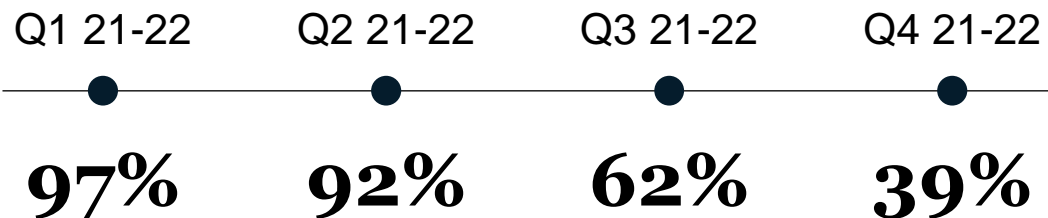
Other expenses remain constant as % of revenue

(₹ Million)



Improving EBIT while investing in growth

Growth year-over-year



EBIT grew by **67%**

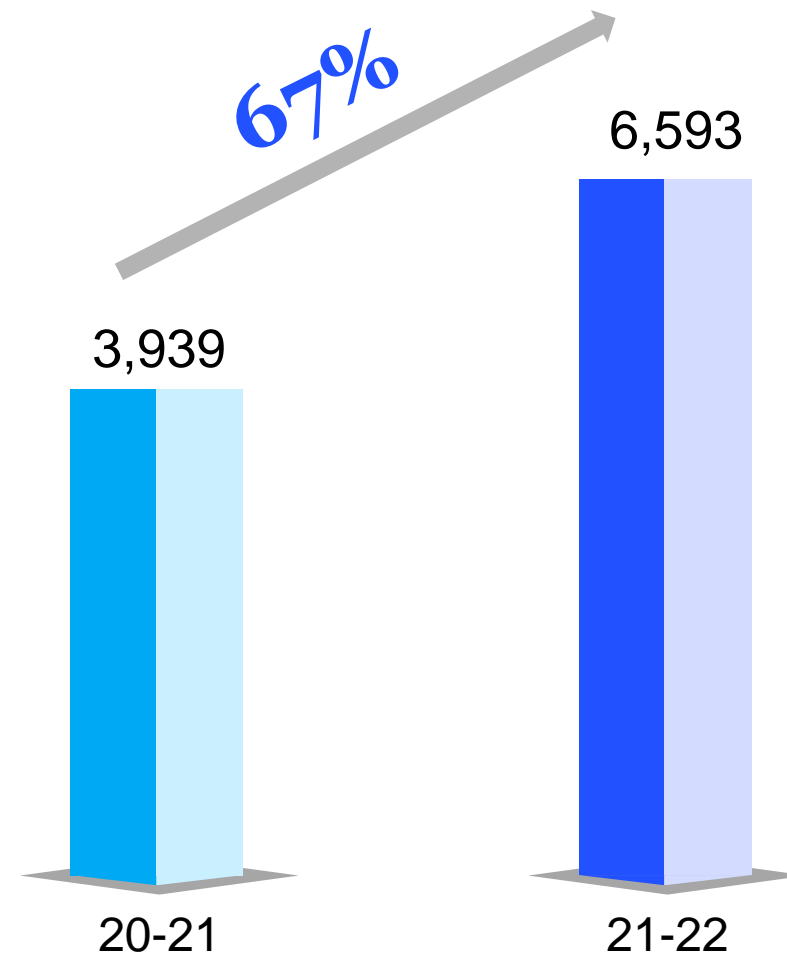


EBIT margin at **21%**, improved by **374** basis points



Investments in Platforms resulting in higher depreciation of **₹13 Mn**

(₹ Million)



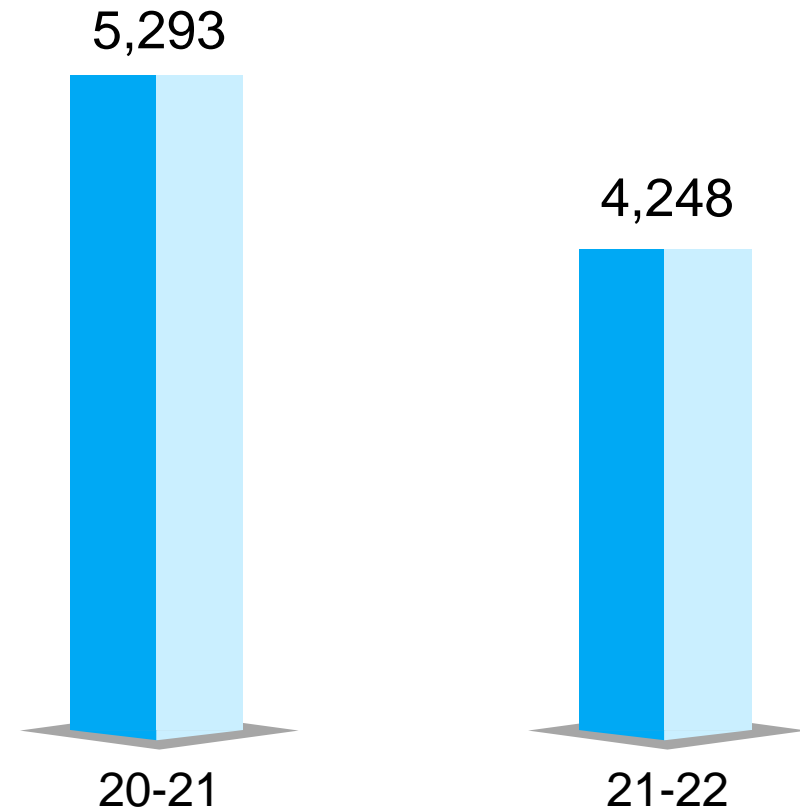
Best-in-class Free cash flow profile

Free Cash Flow as % of PAT



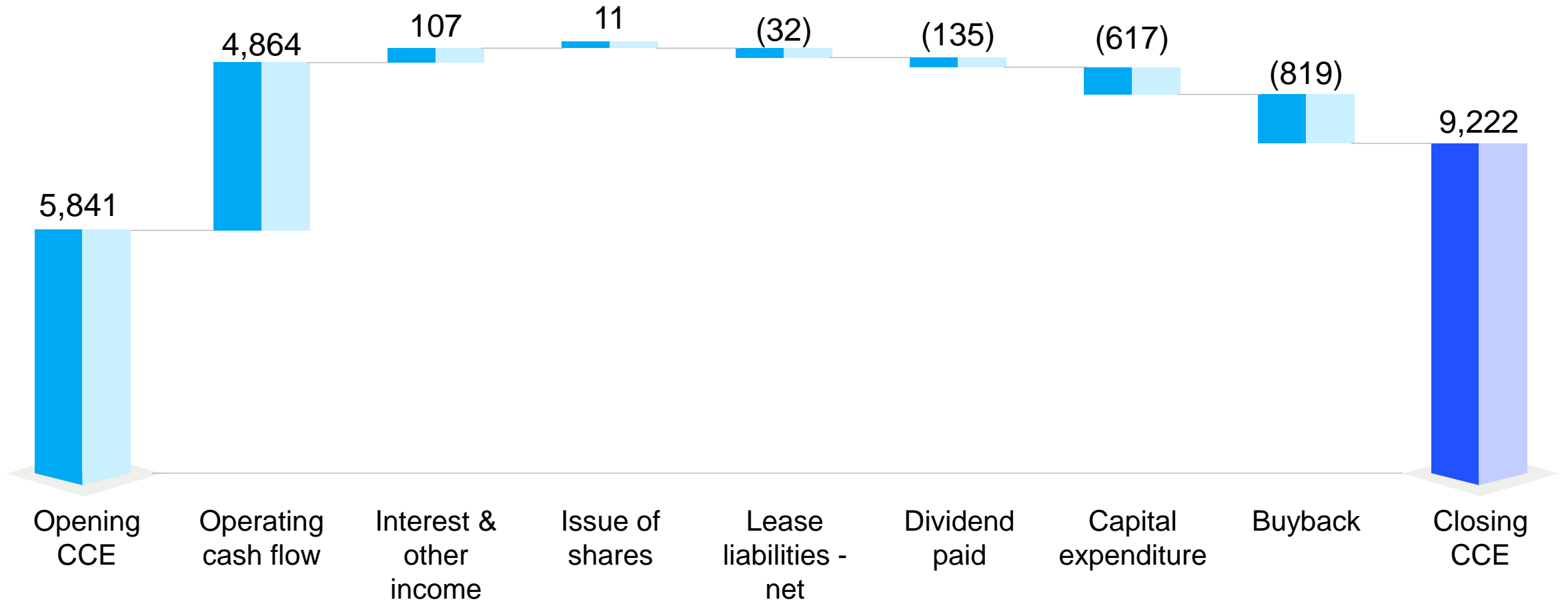
Lower cash flow due to investments in Platforms and increase in tax payouts

(₹ Million)



Cash utilization towards return to shareholders

(₹ Million)



CCE - cash and cash equivalents

CCE - Includes bank deposits with more than twelve months maturity

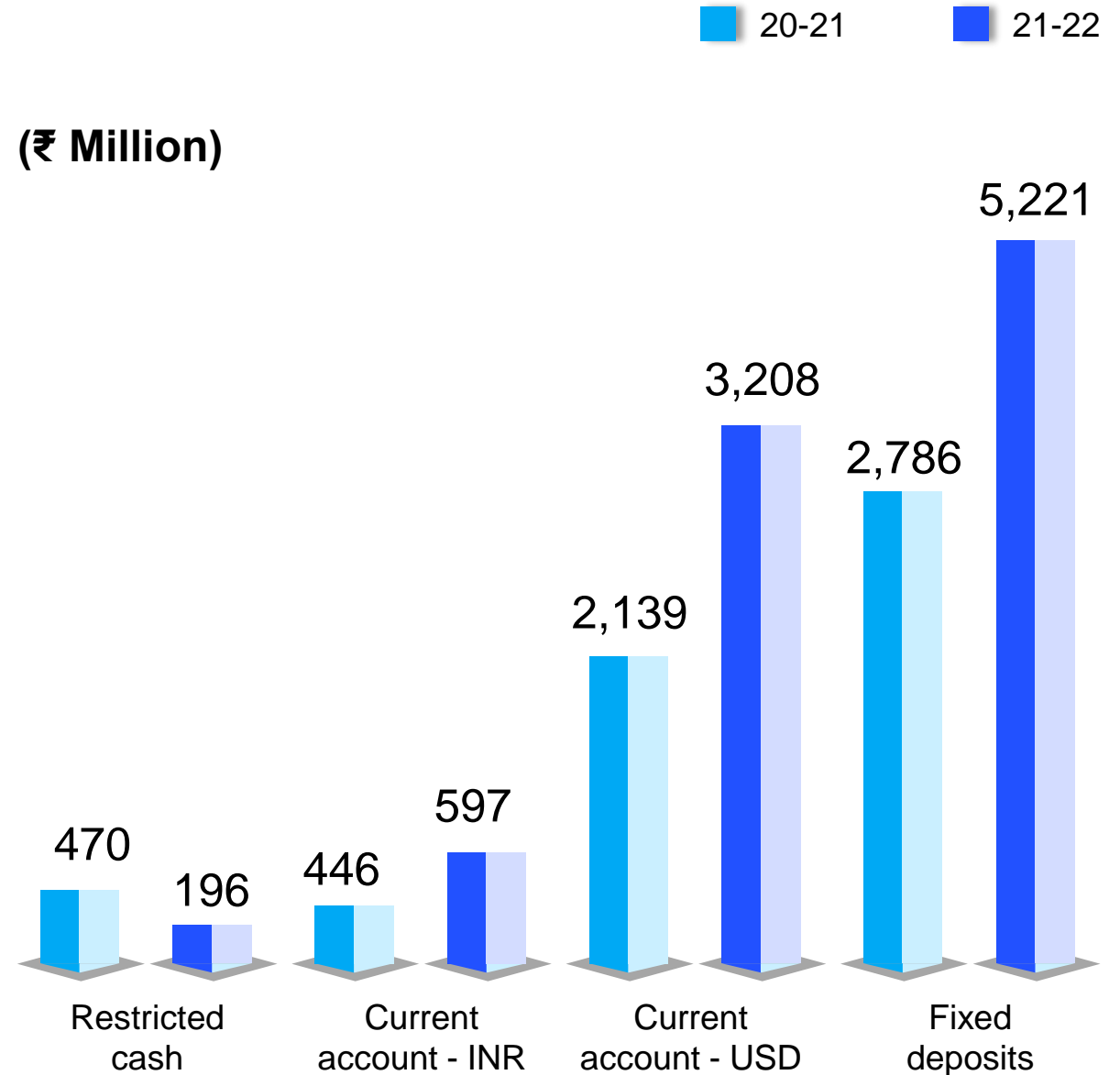
Cash & cash equivalents

CCE



Restricted cash balance decreased due to revision in cash credit limits across various banks










(₹ Million)



CCE - cash and cash equivalents

CCE - Includes bank deposits with more than twelve months maturity

Cash & cash equivalents break up

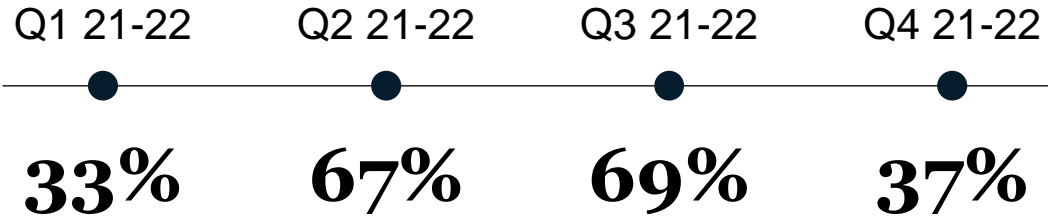
In Millions, unless otherwise stated	Current accounts-INR	Current accounts-USD	Fixed Deposits	Restricted cash	Total
 HDFC BANK	478	142	2,688	136	3,444
 HDFC <small>WITH YOU, RIGHT THROUGH</small>	-	-	1,600	-	1,600
 LIC HFL <small>LIC HOUSING FINANCE LTD</small>	-	-	200	-	200
 भारतीय स्टेट बैंक State Bank of India	13	-	133	-	146
 AXIS BANK	39	-	361	-	400
 kotak <small>Kotak Mahindra Bank</small>	54	-	89	-	143
 citibank	-	749	-	-	749
 DBS	-	2,317	-	27	234
 ICICI Bank	13	-	150	-	163
Others	-	-	-	33	33
Total	597	3,208	5,221	196	9,222

CCE - cash and cash equivalents

CCE - Includes bank deposits with more than twelve months maturity

Profit after tax

Growth year-over-year

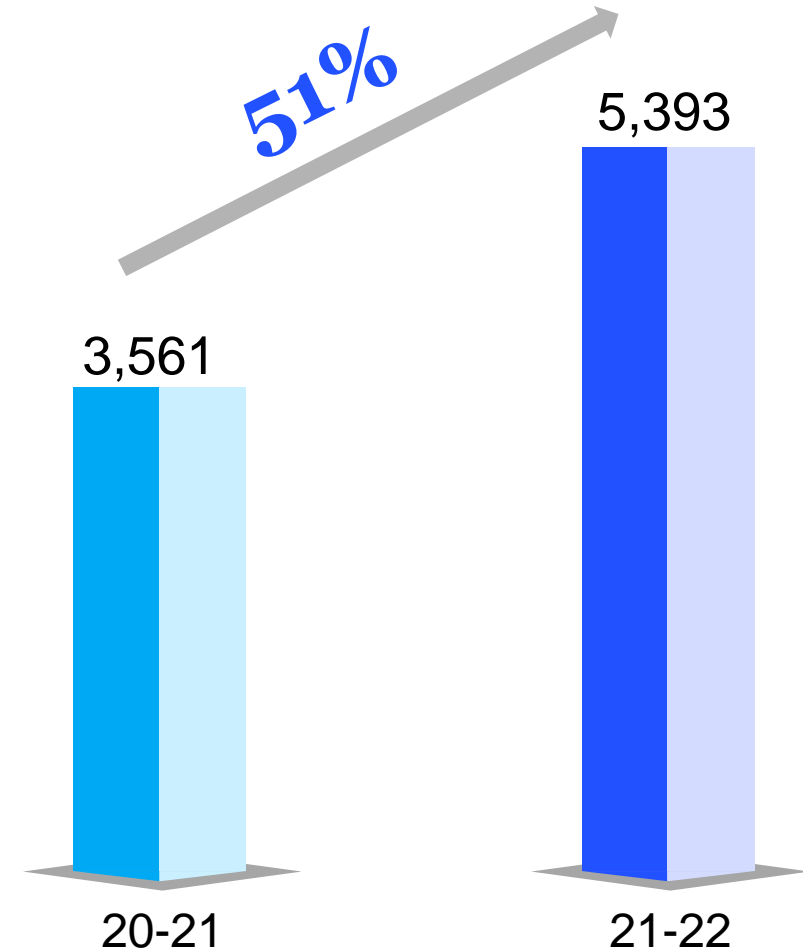


Profit after tax after grew by **51%**



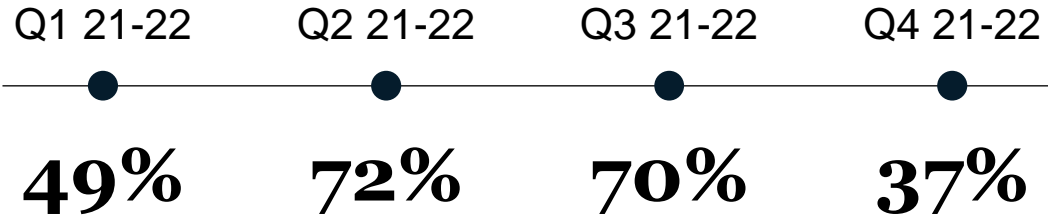
Profit after tax margin at **17%**, improved by **162** basis points

(₹ Million)



Earnings per share

Growth year-over-year

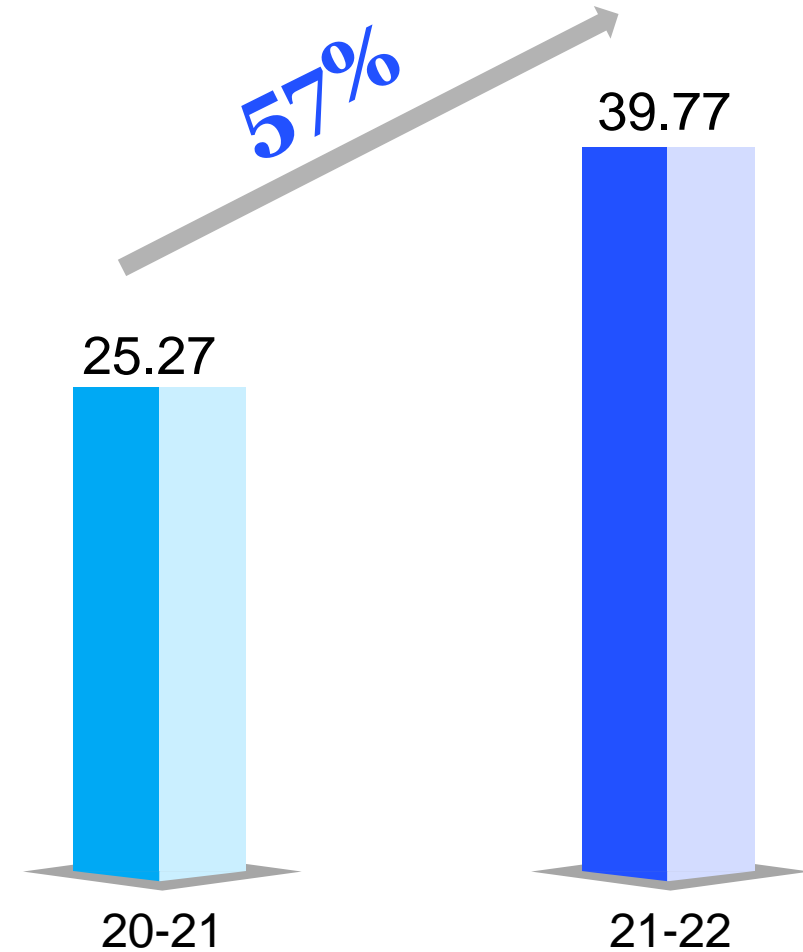


EPS grew by **57%**



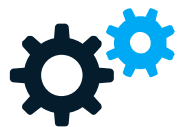
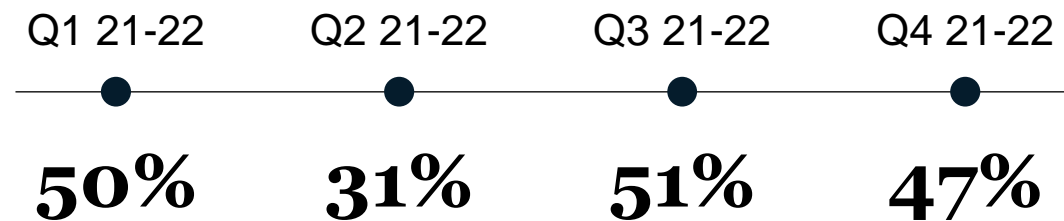
EPS growth driven by combination of PAT growth and lower equity shares to buyback

(₹)



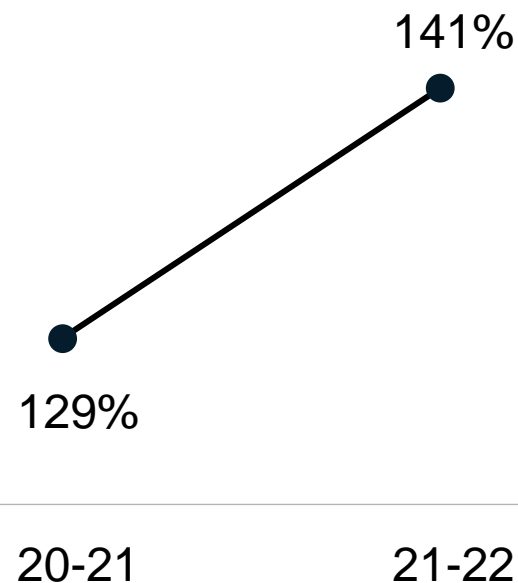
ROCE at 141% excluding cash

ROCE

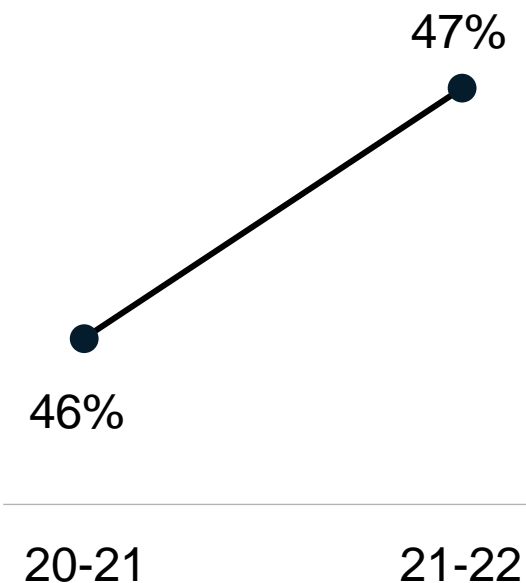


Reflects asset lite model

*ROCE (excluding CCE)



*ROCE (excluding CCE)

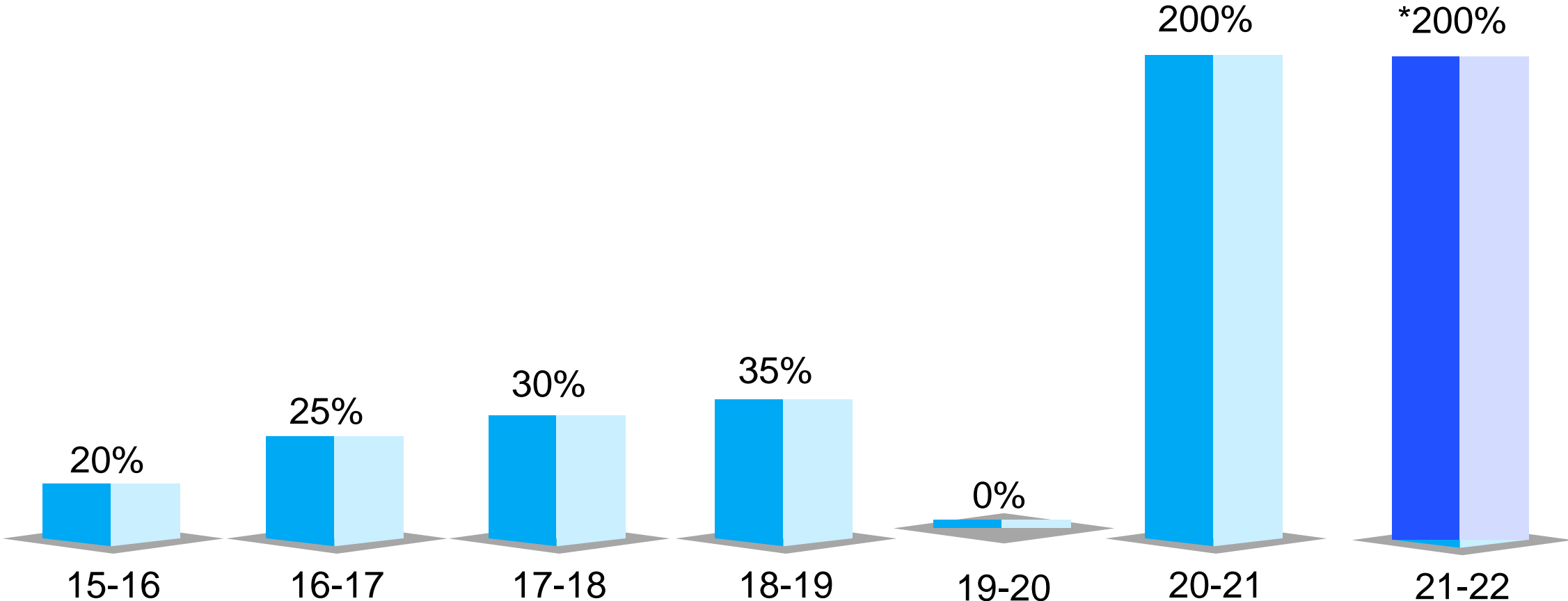


ROCE- Return on capital employed

CCE- Cash & cash equivalents

*CCE- Includes fixed deposit balances with maturity greater than one year

Track record of consistent dividend payouts



Dividend rate % is on face value of equity share
*Final dividend of 200% has been recommended by board for 21-22 subject to shareholders approval

Strong balance sheet



₹ 13,540 Mn

Strong Equity and Reserves



₹ 9,222 Mn

Robust build up of cash & cash equivalents



141%

ROCE (excluding cash & cash equivalents)



Debt free

ESG achievements in Q4 21-22



Environmental

Steps towards creating a greener and cleaner tomorrow

Towards Net-zero

Tie up with plantation implementation partners – Green Water Sky and Enking International

Working towards Platinum LEED certification in Tanla Innovation & Experience Centre

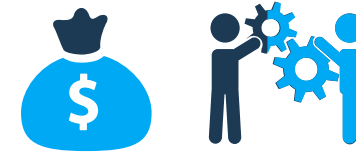


Social

Giving back to the society and developing our employees

For the community

Skill trained 108 youth and placed 83 in jobs like Data Entry and Sales with an average monthly salary of INR 11,800/-
Conducted a Sports Day & Cultural Festival in ZPHS Gangaram to encourage all round development of students.



Governance

Integrating ESG in our business and formally committing to ESG principles

Transparency & Good Governance

STEPIn Charter for D&I implementation and Mentorship Program Policy for the program announced on March 8 IWD



Appendix

Profit & Loss account: Fourth Quarter & 21-22

In Millions, unless otherwise stated	Q4 21-22	Q4 20-21	Δ %	21-22	20-21	Δ %
Revenue from operations	8,531	6,486	32	32,060	23,415	37
Cost of services	(6,097)	(4,717)	29	(22,980)	(17,638)	30
Gross profit	2,434	1,769	38	9,080	5,777	57
Operating expenses	(593)	(429)	38	(2,079)	(1,443)	44
EBITDA	1,841	1,340	37	7,001	4,334	62
Depreciation & amortization	(102)	(92)	10	(408)	(396)	3
EBIT	1,739	1,248	39	6,593	3,939	67
Finance cost	(3)	(1)	-	(13)	(10)	-
Other income	46	15	199	161	219	(26)
Profit before taxes	1,782	1,262	41	6,741	4,147	63
Tax expense (including deferred tax)	(376)	(237)	59	(1,348)	(586)	130
Profit after tax	1,406	1,025	37	5,393	3,561	51
Earning per share	10.36	7.54	37	39.77	25.27	57

Balance sheet- March 31,2022

In Millions, unless otherwise stated	March 31, 2022	March 31, 2021
ASSETS		
Non-current assets		
Property, plant and equipment	429	297
Platforms	484	395
Customer Relationships	257	382
Brands	4	39
Technology	13	36
Non Compete	30	36
Intangible assets underdevelopment	402	64
Goodwill	1,346	1,346
Capital work in progress	134	-
Right-of-use-lease assets	484	39
Financial assets	711	106
Deferred tax assets (net)	396	428
Other non-current assets	439	297
Total non current assets	5,129	3,465
Trade receivables	5,603	3,731
Cash and bank balances	8,623	5,841
Other Financial assets	3,951	2,565
Other current assets	641	524
Total current assets	18,817	12,661
TOTAL ASSETS	23,946	16,126

In crores, unless otherwise stated	March 31, 2022	March 31, 2021
EQUITY AND LIABILITIES		
Equity share capital	136	136
Other equity	13,404	8,795
Total equity	13,540	8,931
Financial liabilities		
Lease liabilities	447	35
Other financial liabilities	4	5
Provisions	70	60
Other non-current liabilities	5	3
Total Non-Current Liabilities	526	103
Current liabilities		
Trade payables	6,785	5,062
Lease liabilities	89	9
Other financial liabilities	2,443	1,919
Other current liabilities	272	76
Short term provisions	11	9
Liabilities for current tax (net)	280	17
Total Current liabilities	9,880	7,092
TOTAL EQUITY AND LIABILITIES	23,946	16,126

Condensed Cash flow

In Millions, unless otherwise stated	21-22	20-21
Cash flow before changes in working capital	7,249	4,381
Changes in working capital	(1,220)	1,790
Cash generated from operations	6,029	6,171
Taxes	(1,165)	(561)
Cash flow from operating activities	4,864	5,610
Net investments in tangible and intangible assets	(616)	(319)
Interest and other income	107	220
Movement in other bank balances	(600)	-
Cash flow from investing activities	(1,109)	(99)
Issue of Shares	11	184
Buyback of shares	(818)	(1,661)
Dividend paid	(135)	(136)
Interest paid on lease liabilities	(32)	(63)
Cash flow from investing activities	(975)	(1,676)
Cash flow for the period	2,780	3,835
Cash and cash equivalents at the beginning of period	5,841	2,006
Cash and cash equivalents	8,622	5,841
Fixed deposit balances with maturity greater than one year	600	-
Cash and cash equivalents at the closing period	9,222	5,841

Free Cash flow

In Crores, unless otherwise stated	Q4 21-22	Q4 20-21	Δ %	21-22	20-21	Δ %
Operating cash flow	716	142	-50	487	561	-13
Capital expenditure	(272)	(6)	401	62	32	94
Free cash flow	444	136	-70	425	529	-20
Free cash flow in percent of total revenue	5%	21%	-	13%	23%	-
Operating cash flow as % of PAT	51%	139%	-	90%	158%	-

Key metrics: 21-22

Gross Profit	+365bps	28.3%
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EBITDA	+333 bps	21.8%
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PAT	+162 bps	16.8%
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Gross Profit to EBITDA conversion	+207 bps	77.1%
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ROCE (excluding CCE)	+1734 bps	141%
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21-22



Key metrics: Fourth Quarter 21-22

Gross Profit	+126 bps	28.5%
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EBITDA	+91 bps	21.6%
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PAT	+67 bps	16.5%
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Gross Profit to EBITDA conversion	-13 bps	75.7%
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ROCE (excluding CCE)	+1734 bps	141%
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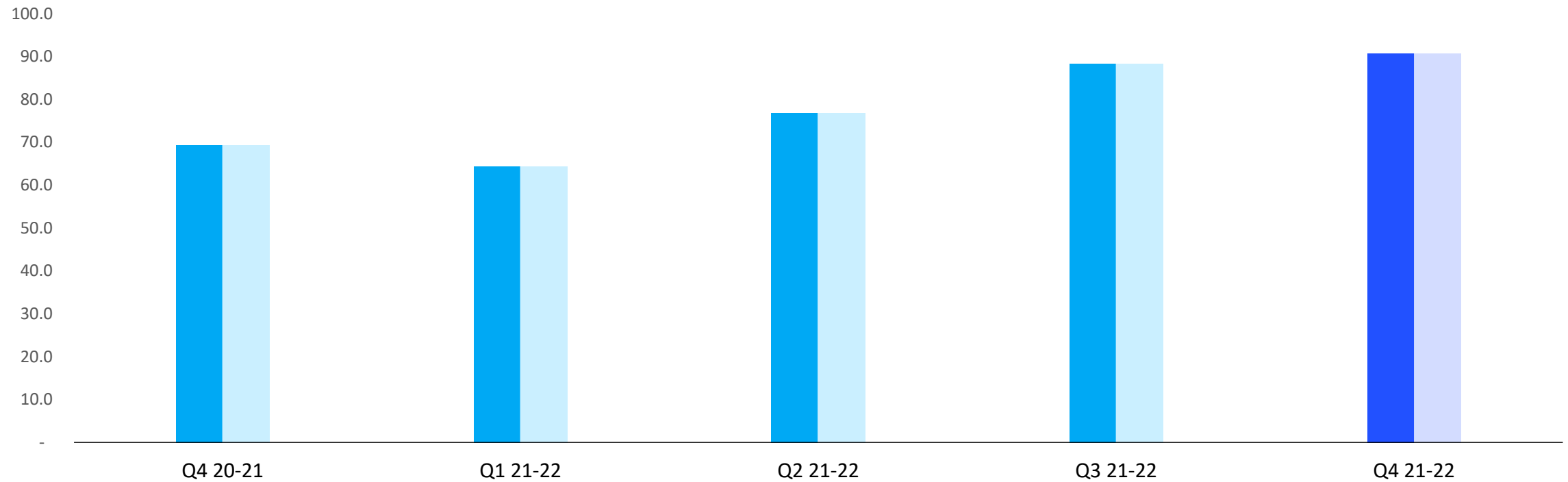
Q4 21-22



Trubloq

Q4 21-22 growth in volumes by 31% year-over-year

No of transactions (bn per quarter)



Number of transactions includes all the volumes processed across telcos on Trubloq