

## Tanla net profit soars 33%, reaches an all-time high

**HYDERABAD, India — July 22, 2021** — Tanla Platforms Limited, India's largest CPaaS provider, today announced its financial results for the quarter one of FY'21-22.

### Key Metrics: First Quarter

- Revenue was ₹626.38 crore, and grew by 38% YoY
- Operating profit stood at ₹134.53 crore, and grew by 79% YoY
- Net Profit was ₹104.48 crore, and grew by 33% YoY
- Earnings per share was ₹7.68, and grew by 49% YoY
- Cash conversion (operating cash flow to operating profit) was at 102%
- Cash & Cash Equivalents was ₹717.11 crore, up from ₹247.02 crore

### Board outcome

The Board of Tanla approved buyback of equity shares, for an aggregate amount not exceeding ₹65 crore at a price not exceeding ₹1,260 per equity share, payable in cash, from the open market through stock exchange mechanism in accordance with the applicable regulations.

**Uday Reddy, Chairman & CEO, Tanla Platforms Limited said,** "We had a stellar start into the year with consistent acceleration in our revenue growth, while improving profitability and cash flows. The operating profit and net profit are at an all-time high, driven by increasing contribution from our platform business. Our financial performance is an outcome of our innovation led strategy and focused execution.

Tanla is growing at rate of knots. There is a Rule of 40 out there for SaaS companies, but Tanla has grown organically at Rule of 60 in Q1. This is a tangible demonstration of the strong unit economics within our business, and it showcases the inherent strength of the business model.

We are transforming the way large enterprises engage with their end customers. Our customers are growing, and we are growing with them. Our top 20 customers have grown 31% and we have 13 customers with annualized revenues greater than ₹50 crore in the quarter.

As we look forward, we will stay focused on our 'one platform' strategy. Wisely, our enterprise grade platform built for the entire CPaaS ecosystem, is seeing strong traction. Our alliance with Microsoft as a technology, cloud and GTM partner will pave way for our global expansion."

## **Financial Highlights**

India's largest CPaaS provider registers strong growth while maintaining market leadership.

On a year-on-year basis, revenues grew by 38% to ₹626.38 crore for the first quarter. We have consistently accelerated our growth trajectory every quarter year over year.

The operating profit for the quarter was at an all-time high of ₹134.53 crore and grew by 79%. Operating profit margin for the quarter increased from 16.4% to 21.5%. Cash conversion (Operating cash flow to operating profit) was at 102%.

Net profit for the quarter was at an all-time high of ₹104.48 crore, delivering second consecutive quarter of ₹100 crore+ net profit.

Tanla and all its subsidiaries continue to remain debt free with surplus cash reserves.

## **Business Highlights**

### **Products & Platforms**

- Wisely, launched in January this year has gained traction among our customers. We have onboarded six marquee customers on the platform.
- Trubloq, the DLT platform built on blockchain to enforce the TRAI regulation saw massive adoption. We added 4,353 enterprises to the platform for the quarter.
- Contribution of Platform business to overall gross margin has increased from 17% to 31%.

### **Enterprises**

- The customer base has expanded with addition of 73 new customers during the quarter.
- Revenues from our top 20 customers have grown by 31% year-on-year and contribute to 66% of the overall revenue.
- We have 13 customers with annualized revenues of greater than ₹50 crore.

### **Response to Covid**

Vaccination drive is currently under way for employees and their families. To date, 58% of employees along with their family members have been vaccinated.

### **Incorporation of subsidiary**

Tanla Foundation has been incorporated to implement the CSR initiatives of the company.

### **Invitation to earning call:**

Tanla will host a conference call and live webcast to discuss the financial results.

**Conference call details:**

The conference call will begin at 5.30 PM IST on July 22, 2021. Interested parties may listen to the call by dialing +91 22 6280 1141 / +91 22 7115 8042, or if outside India, by dialing toll free number UK 08081011573, USA 18667462133, Hong Kong 800964448, and Singapore 8001012045. The live audio webcast link will be available on the Tanla website

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**About Tanla**

Tanla Platforms Limited (NSE: TANLA; BSE:532790) transforms the way the world collaborates and communicates through innovative CPaaS solutions. Founded in 1999, it was the first company to develop and deploy A2P SMSC in India. Today, as one of the world's largest CPaaS players, Tanla processes more than 800 billion interactions annually and about 62% of India's A2P SMS traffic is processed through its distributed ledger platform-Trubloq, making it the world's largest Blockchain use case. Tanla touches over a billion lives carrying mission critical messages meeting the needs of the world's largest customers. Tanla Platforms Limited is headquartered in Hyderabad, India and is expanding its presence globally.

**Safe Harbour**

This document contains "forward-looking" statements, and these statements involve substantial risks and uncertainties. All statements other than statements of historical fact could be deemed forward-looking, including, but not limited to, expectations of future operating results or financial performance, market size and growth opportunities, the calculation of certain of our key financial and operating metrics, plans for future operations, competitive position, technological capabilities, and strategic relationships, as well as assumptions relating to the foregoing. Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. In some cases, 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. You should not put undue reliance on any 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.

Forward-looking statements are subject to a number of risks and uncertainties, many of which involve factors or circumstances that are beyond our control. Our actual results could differ materially from those stated or implied in forward-looking statements due to a number of factors. 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 document contains statistical data, estimates and forecasts that are based on independent industry publications or other publicly available information, as well as other information based on our internal sources. This information involves many assumptions and limitations, and you are cautioned not to give undue weight 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. 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 document.

By receiving this document, 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.

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**Consolidated statement of Profit and Loss (Un-audited):**

<b>Particulars (INR in Lakhs)</b>	Q1FY22	Q4FY21	Q1FY21
I. Revenue from operations (net)	62,638.36	64,855.89	45,554.77
II. Other income	430.13	153.69	1,322.77
<b>III. Total Income (I+II)</b>	<b>63,068.49</b>	<b>65,009.58</b>	<b>46,877.54</b>
<b>IV. Expenses</b>			
Cost of services	45,292.73	47,167.03	35,024.58
Employee benefits expense	2,530.56	2,328.23	1,990.17
Depreciation and amortisation expense	914.97	923.37	1,148.78
Connectivity expenses	275.18	409.91	196.97
Finance costs	16.28	11.21	69.96
Other expenses	1,087.01	1,546.25	843.03
<b>Total expenses (IV)</b>	<b>50,116.73</b>	<b>52,386.00</b>	<b>39,273.49</b>
<b>V. Profit before share of profit/loss of associate and income tax (III - IV)</b>	<b>12,951.76</b>	<b>12,623.58</b>	<b>7,604.05</b>
VI. Share in net profit/(loss) of associate	-	-	-
<b>VII. Profit before tax (V - VI)</b>	<b>12,951.75</b>	<b>12,623.58</b>	<b>7,604.05</b>
<b>VIII. Tax expense:</b>			
Current tax	2,488.48	2,603.40	553.80
Prior period taxes/MAT credit	-195.37	-	-1,074.77
Deferred tax	210.16	-233.78	264.46
<b>IX. Net Profit for the period (VII - VIII)</b>	<b>10,448.49</b>	<b>10,253.96</b>	<b>7,860.56</b>
X. Other comprehensive income	200.28	-30.36	-1.74
XI. Total Comprehensive income for the period (IX + X)	10,648.77	10,223.60	7,858.82
<b>XII. Earnings per equity share</b>			
Basic & Diluted (not annualized for quarters)	7.68	7.54	5.16

**Consolidated Abridged Cash Flow Statement (Un-audited):**

	Q4FY22	Q4FY21	Q1FY21
Net cash provided by/(used in):			
Operating activities	13,754.34	14,237.59	2,045.23
Investing activities	-475.13	-11.00	824.70
Financing activities	18.13	-694.00	1,774.36
<b>Net increase in cash and cash equivalents</b>	<b>13,297.35</b>	<b>13,532.59</b>	<b>4,644.29</b>
Cash and cash equivalents at the beginning of the year	58,414.41	49,924.5	20,057.47
<b>Cash and cash equivalents at the end of the period</b>	<b>71,711.50</b>	<b>58,414.41</b>	<b>24,701.76</b>

Operating profit: Earnings before Interest Taxes and Depreciation