



Tanla Platforms Limited
(Formerly known as Tanla Solutions Limited)
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January 20, 2023

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: Investor Updates for the quarter and nine months ended December 31, 2022.

With reference to the subject cited, we are enclosing herewith the Investor Updates for the quarter and nine months ended December 31, 2022.

Request you to take the same on record and oblige.

Yours faithfully,

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



Seshanuradha Chava
General Counsel and Company Secretary
ACS-15519



Investor Update Q3 FY23

Jan 20, 2023

Hyderabad

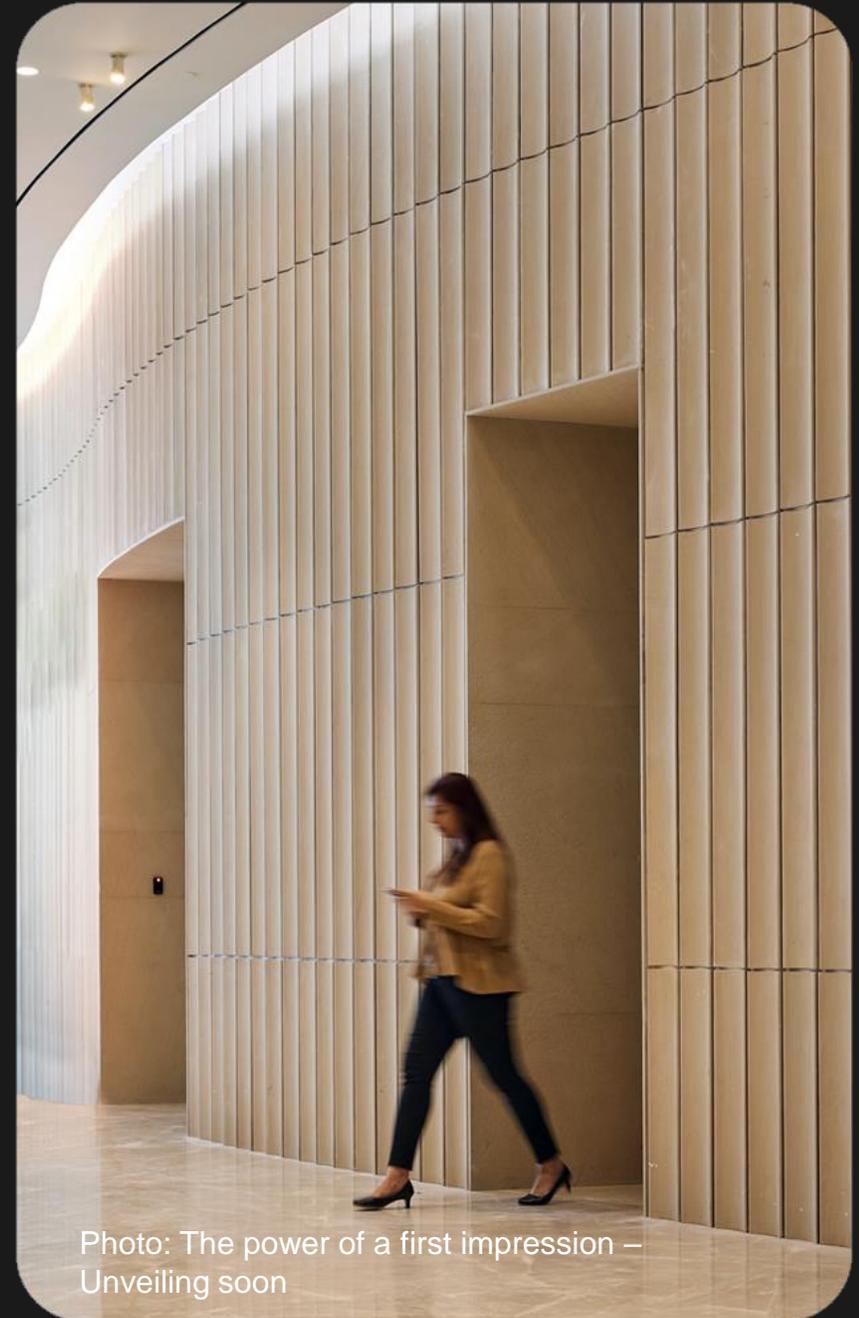


Photo: The power of a first impression –
Unveiling soon

Safe Harbor and Other Information

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 19/01/23, 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.

Unique Ethos to Value Creation – In a class of its own

Best in Class Financials and Shareholder Return

28% + 18% = 46%⁽¹⁾

Revenue growth + EBITDA Margin Rule of 40

67%⁽²⁾

Of net profit returned as cash to shareholders

920%⁽³⁾

Wealth creation for shareholders

(1) Revenue and Weighted average EBITDA margin for last three financial years.

(2) Normalized Net profit for last three financial years

(3) Wealth creation from 01 Jan 2020 to 31 Dec 2022

Customer and Ecosystem

2

Average Product penetration

19

Customers paying > ₹ 500 Mn in a year

50%

of total revenue contributed by our top 100 customers, retained for more than 5 years

3

Partnerships – Vi, Truecaller & kore.ai

Innovation & Impact

wisely

- 3 patents awarded
- Co-sell partnership with Microsoft

TRUBLOQ

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

Carbon Neutrality

Net-Zero by 2025



Top scorer from the Indian Category by S&P Global ESG Score

dun & bradstreet

recognized as a Leading Mid-Corporate of India 2022

Gartner

Recognized in the 2022 Gartner CPaaS Competitive Landscape



Global HR Excellence Award 2022

Q3 FY23 Results: Snapshot



Revenue

₹8,696 Mn

2% De-Growth



Gross Profit

₹2,168 Mn

17% De-Growth



EBITDA

₹1,513 Mn

17.4% Margin



OCF

₹-608 Mn

Normalized OCF ₹ 780 Mn



PAT

₹1,165 Mn

13.4% Margin



EPS

₹8.58



Cash

₹7,680 Mn

→ Down by ₹1,127 Mn





EMPOWERING CONSUMERS & ENABLING COMPANIES

Photo: Self-contained 'garages' – Unveiling soon



Innovating our platform for the future

Platform Innovation: Evidence of success

Platform business delivered robust financial performance in Q3 FY23 driven by significant momentum across key modules



Platform business gross profit grew by **26% YoY** in Q3 FY23



Wisely contributed **35%** of Platforms gross profit in Q3 FY23



Largest DLT scrubbing platform growing at scale -16% YoY gross profit growth



Best-in-class innovation center in Hyderabad to foster innovation



Gross profit (₹ Mn.)

Q3 FY22

598

Q3 FY23

751



Contribution to overall GM

23%

35%

1. TRUBLOQ

Key Details



Gap to competition

World's first blockchain-enabled compliance platform



Customer adoption

Largest DLT scrubbing platform in India

100% volume in UAE

Partnership with **7 telcos** across UAE and India



Product

New APIs introduced for Enterprises for ease of registration

Evidence of our success



GM growth

16% (Y-O-Y)



Volume

82 bn (Q3)

2. Wisely Communicate:

Our differentiated proposition for enterprises

- 1 End-user data protection** through 100% E2E encryption through **cryptographic algorithms**
- 2 100% audit trail** of every transaction enabled **via blockchain**
- 3 Unified marketplace** to aid **price discovery** and **vendor management** (e.g., E-Auction, Rate Card, Budget mgmt.)
- 4 Real time settlement reports** for **zero dispute settlements**
- 5 Ready-to-use solutions** to address multiple use cases for enterprises (e.g., Marketing ROI optimization, OTP improvement, etc.)

Progress so far



Customers

Scaling of Volumes- 200 Mn per month from a banking customer delivering 50% of critical UPI messages



Outcome

Customer Success : **Delivery success rate upwards of 96%**

3. Wisely OTT

Vertical specific solutions being built on OTT

- **Q3 volume of over 1 Bn** across existing customers on Wisely OTT

Delivering a market beating proposition with advanced features and functionalities



Superior user experience



Advanced messaging capabilities



Streamlined onboarding and easy to use



Rich performance insights



Supported by multiple interfaces

4. Wisely Network

ILD leakage prevention for Telcos

**AI-ML-NLP
backed
Intelligent
solutions**



On track to be ₹1 billion gross margin platform per annum



Processed 33Bn messages across A2P and P2P using AI/ML based filters

5. Wisely Engage

Re-imagining our vision for performance marketing



Automated platform

Self-serve campaign management with added intelligence layer



Multiple channels

Large audiences on both **online and offline channels**



Unique data

800+ attributes across online and offline platform



AI/ML backed

Best in class ML driven **personalized engine**



Last mile Attribution

Attribute performance to last level – impression, CTA and conversion

Progress so far

- Features built on **3,000+ attributes**
- Early success in POC with **click through rate jump of 2X**; on-going scale-up
- Initiating POC with clients in Q4 to demonstrate customer success



EMPOWERING CONSUMERS & ENABLING COMPANIES

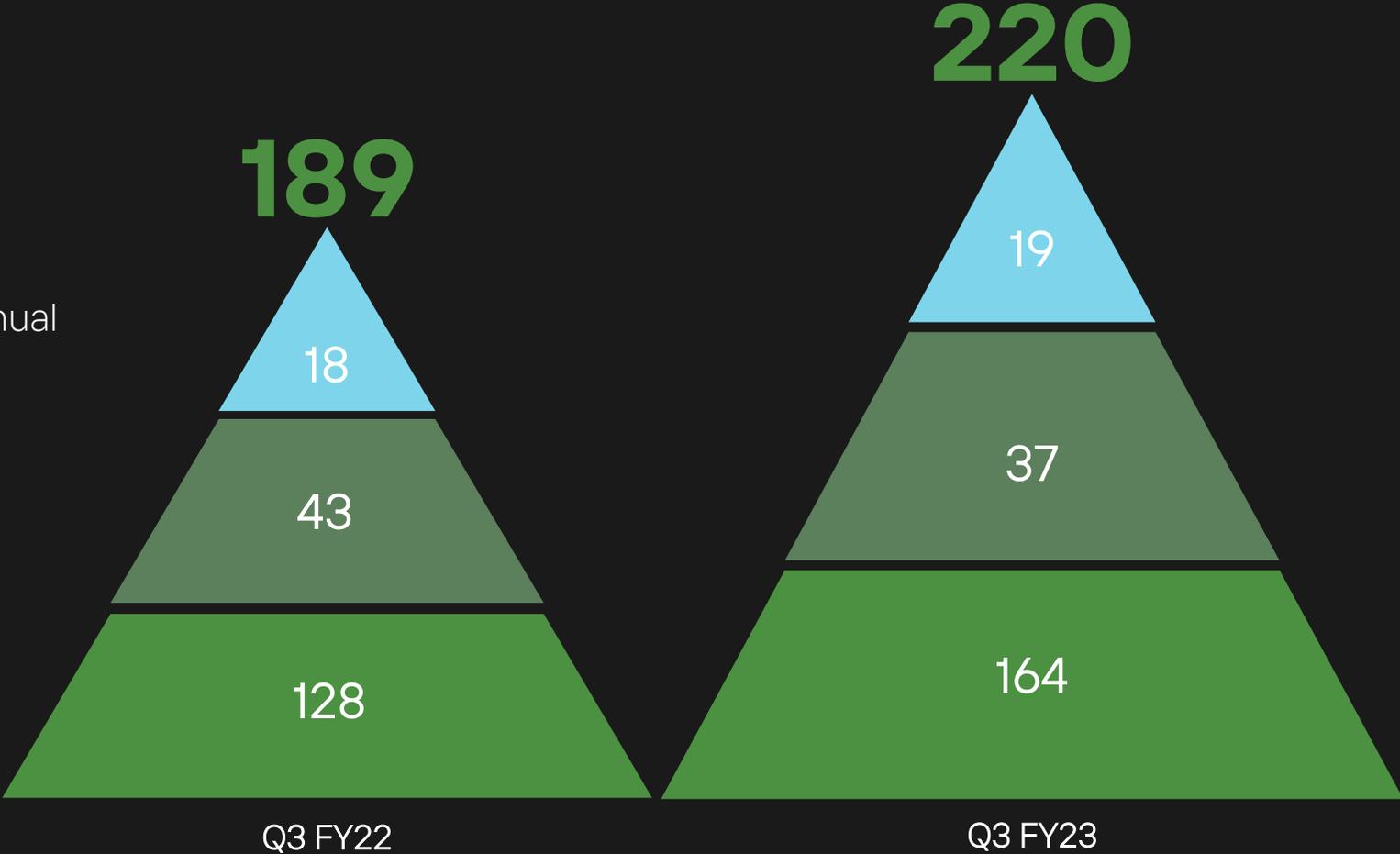
Photo: State of the art "Kaizen" centre- Unveiling soon



Customer Outcomes

Our large customers are expanding

220 customers contributing >10 Mn annual revenue, up by 16%

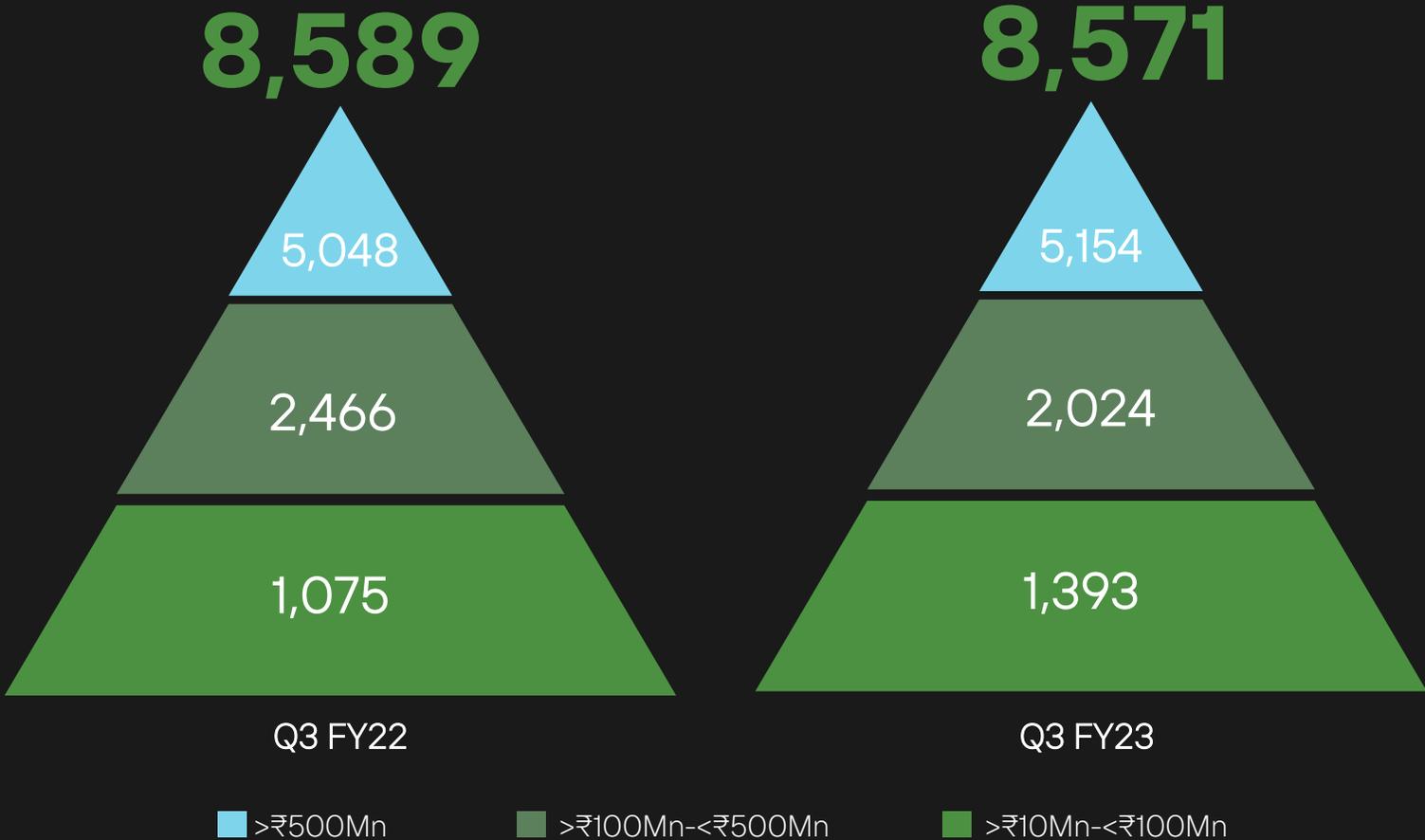


1. Customer segments are arrived at on a quarterly annualized basis (quarter revenue multiplied by four)

■ >₹500Mn ■ >₹100Mn-₹500Mn ■ >₹10Mn-₹100Mn

Increasing product penetration in existing customers

- Product penetration of 2.1, improved from 1.6 a year back
- Sequentially revenue grew by 4% for >₹10 Mn customers



1. Customer segments are arrived at on a quarterly annualized basis (quarter revenue multiplied by four)

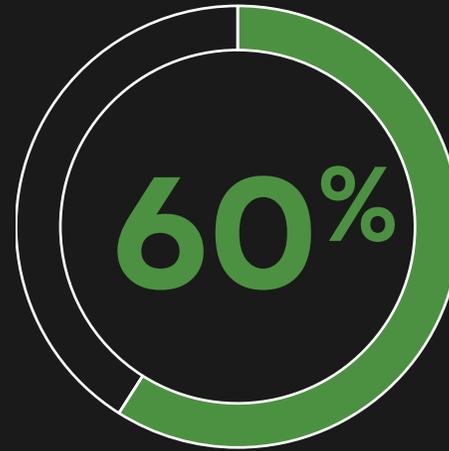
Customer concentration

15

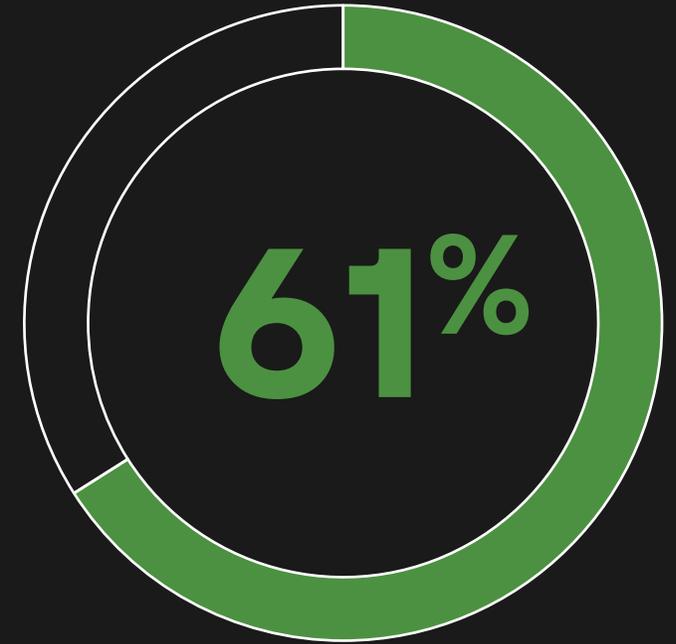


out of 20 customers of last year continue to be in Top 20, 17 remain in Top 30

■ Revenue from top 20 customers (₹ Million)



■ 5,295
Q3 FY22



■ 5,258
Q3 FY23

1. Customer segments are arrived at on a quarterly annualized basis (quarter revenue multiplied by four)

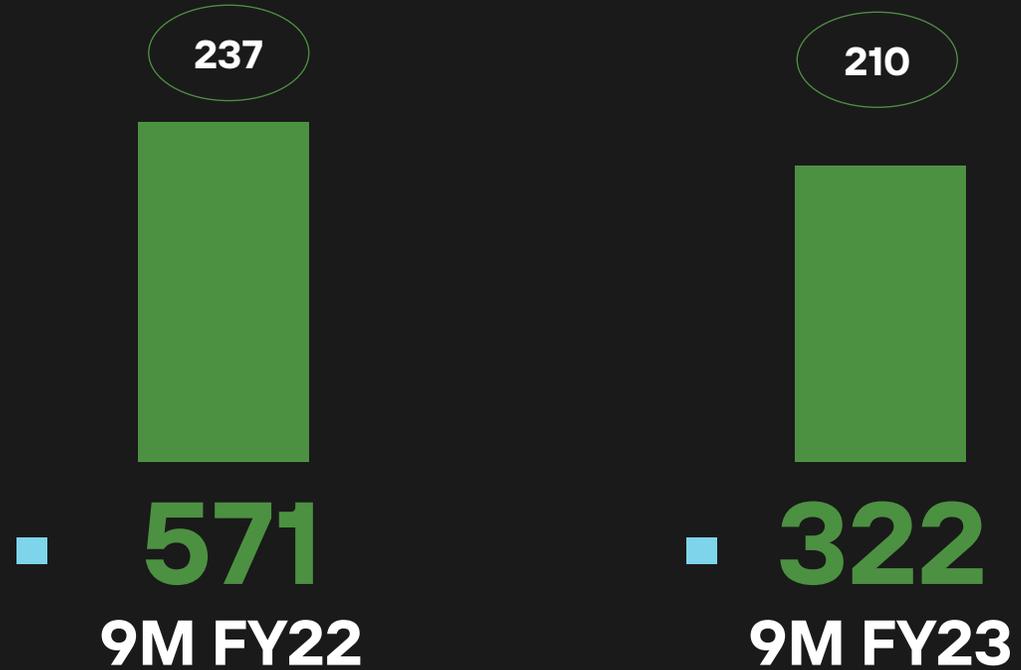
Customer additions

33% 

New customers added on WhatsApp

■ Revenue from new customers (₹ Million)

○ Count of customers



1. New customers include every unique contracting entity added during the year
2. Customer segments are arrived at on a quarterly annualized basis (quarter revenue multiplied by four)



EMPOWERING CONSUMERS & ENABLING COMPANIES

Photo: Ways of Working: Uniquely designed to foster innovation – Unveiling soon

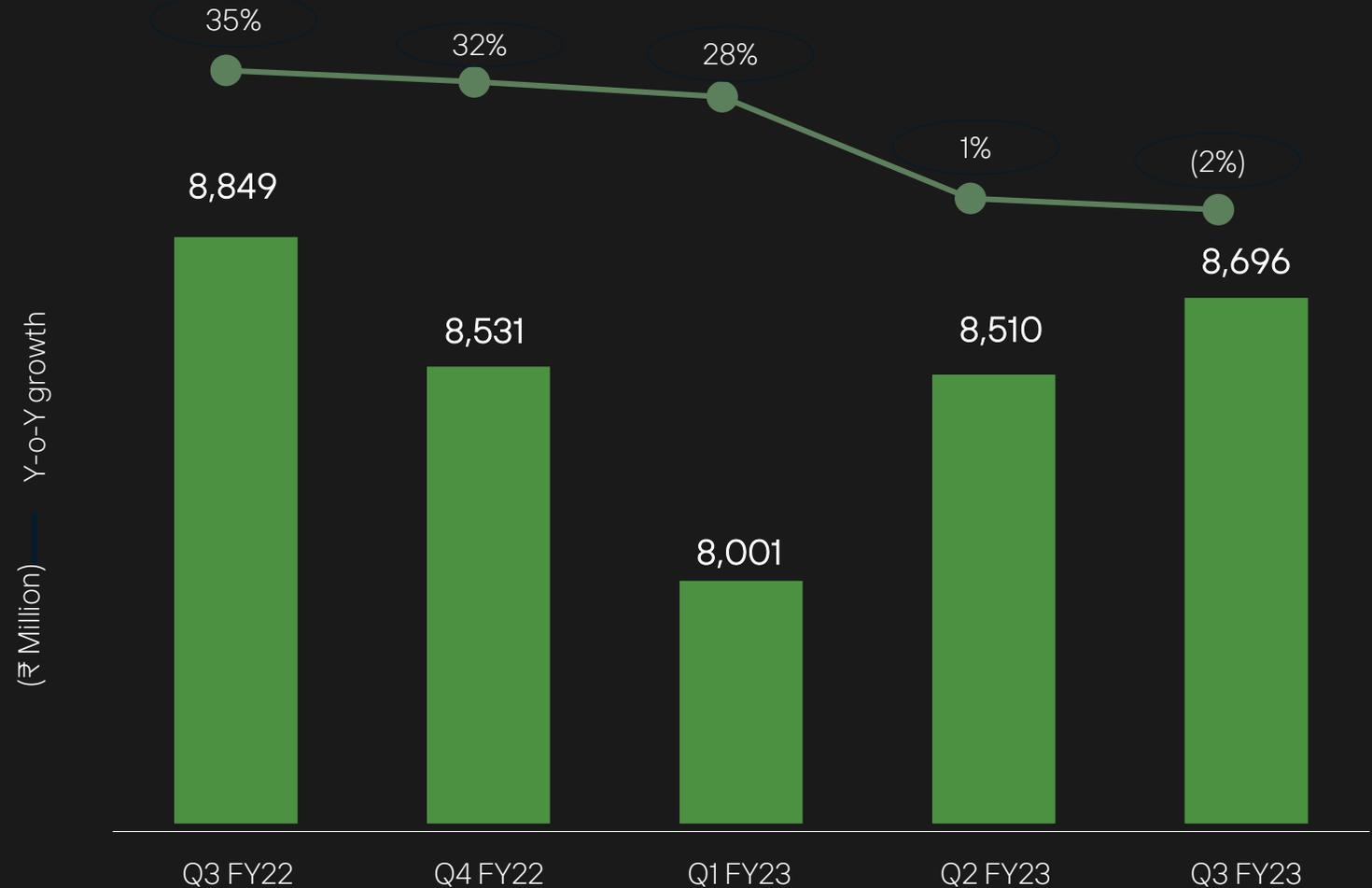


Financial Highlights & ESG Update

Sequential revenue growth

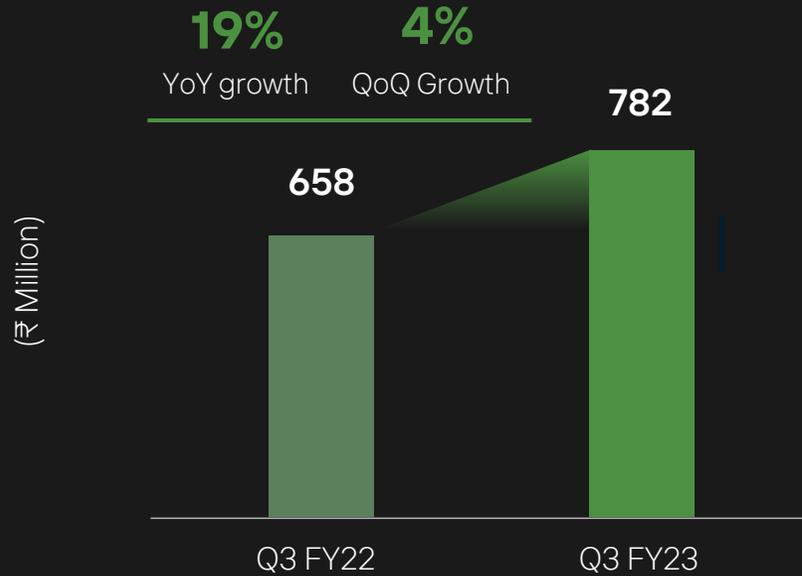
Revenue de-grew by 2% YOY and **grew by 2% QoQ**

Sequential growth led by Platforms and WhatsApp. Festive spends lower especially among BFSI customers in Q3

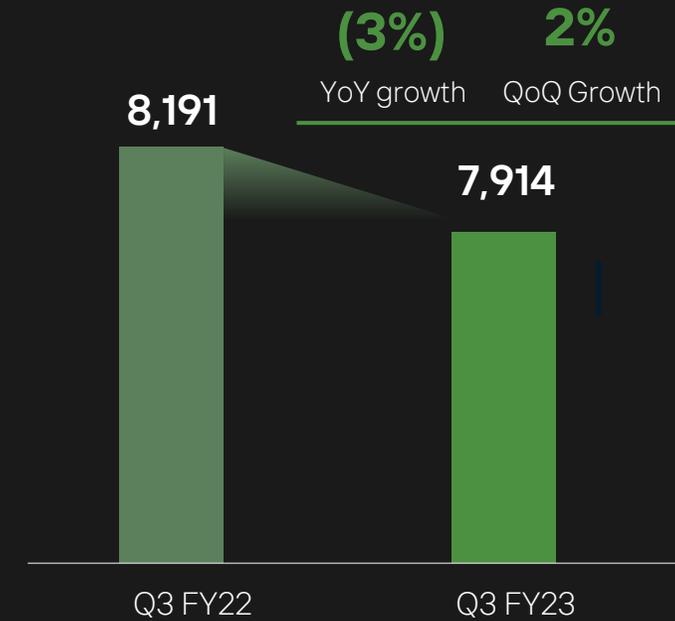


Platform and Enterprise revenue growth

Platform Business



Enterprise Business

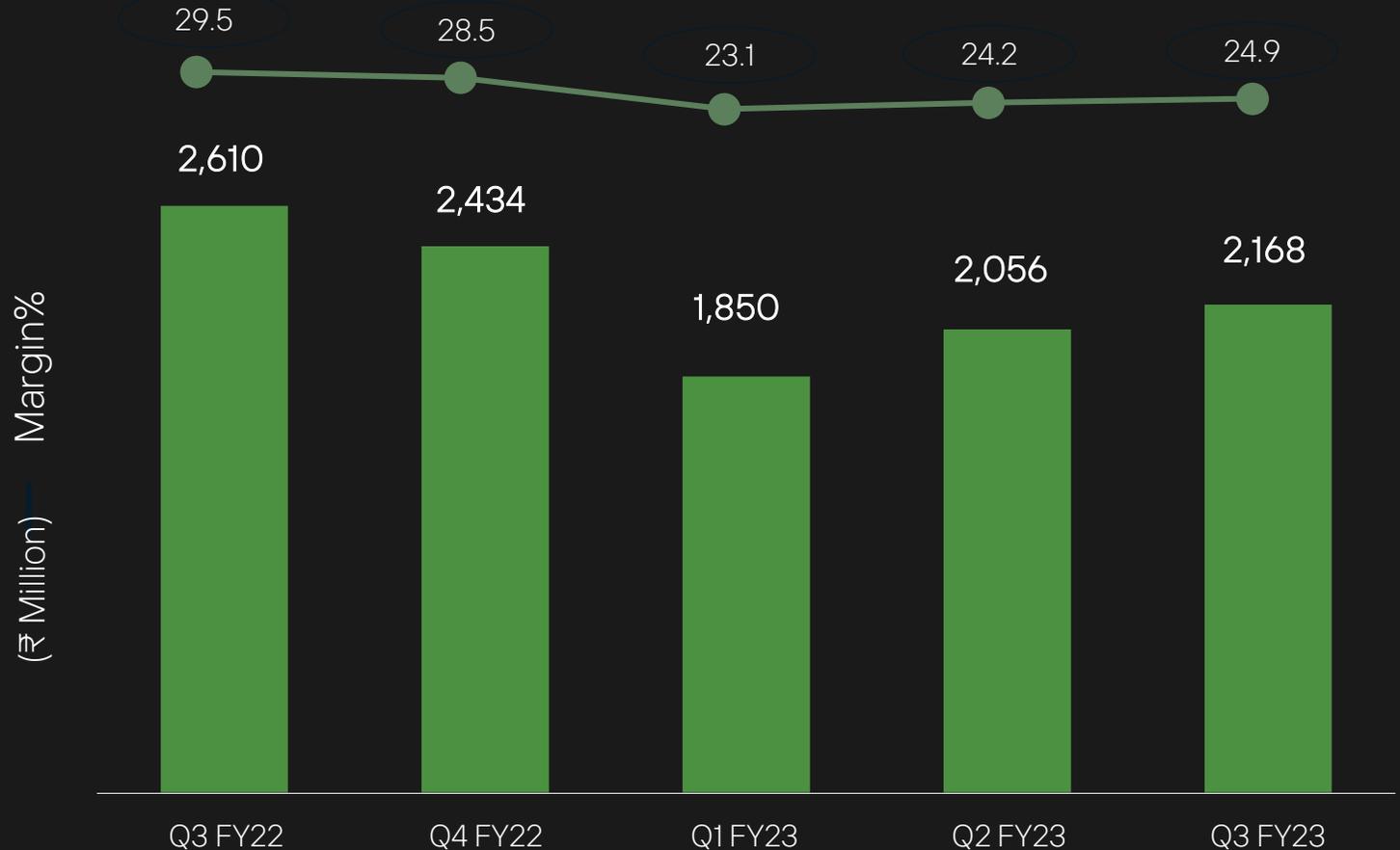


Gross profit improvement

Platform business gross profit **grew by 26% YoY** driven by Trubloq and Wisely

On sequential basis, Enterprise business **gross profit grew by 6%**, driven by operational efficiencies

Improvement in consolidated gross margin by **77 bps on QoQ basis**



Gross margin mix

A Gross margin declined by 456 bps YoY, up 77 bps QoQ

B Platform business gross profit contribution to total at 35%

C Enterprise business gross margin at 17.9%, up 74 bps QoQ

Overall margin



Contribution by platform



Platform business



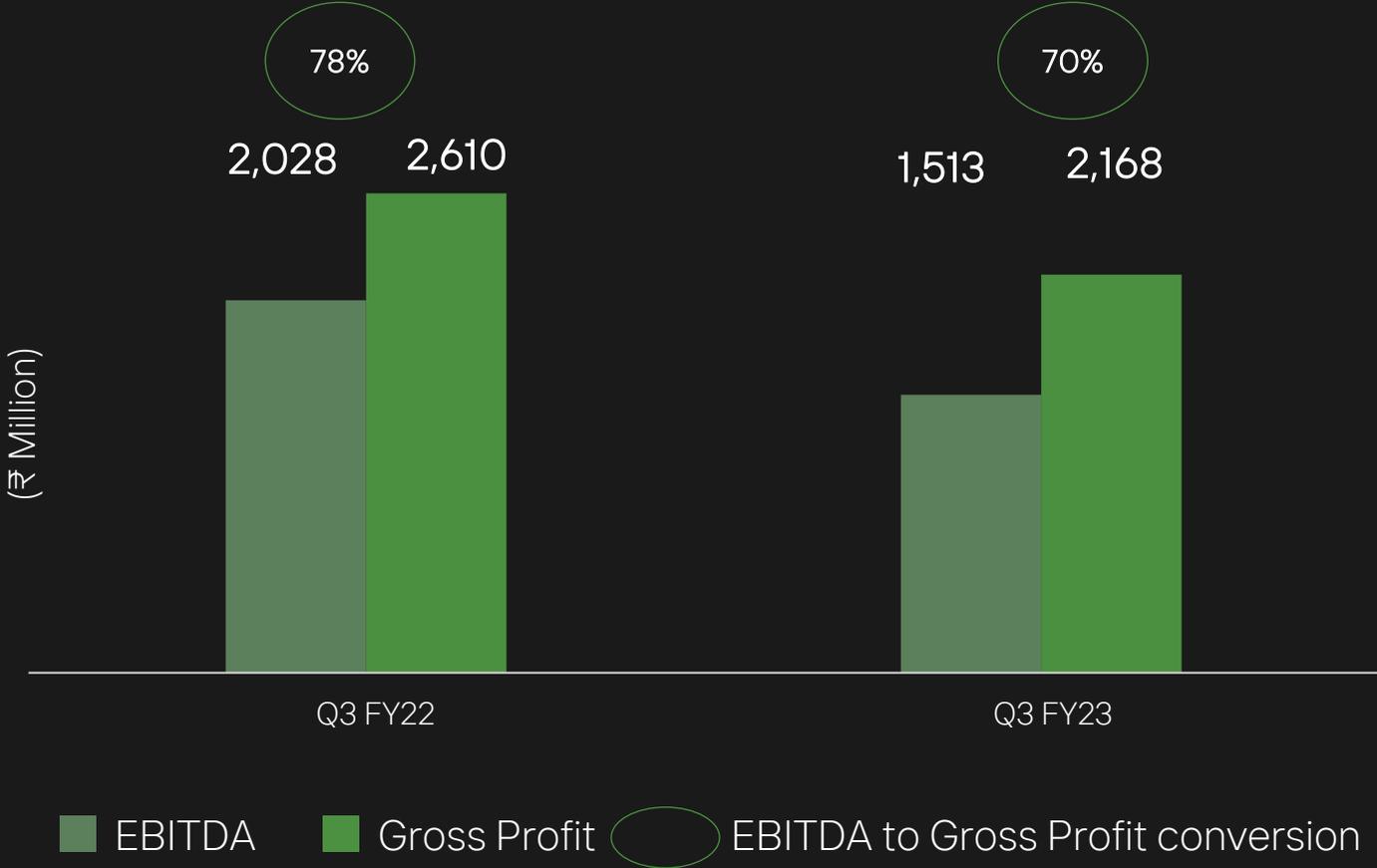
Enterprise business



Efficiency metrics

Employee cost gone down by ₹ 56 Mn YOY, due to lower RSU cost

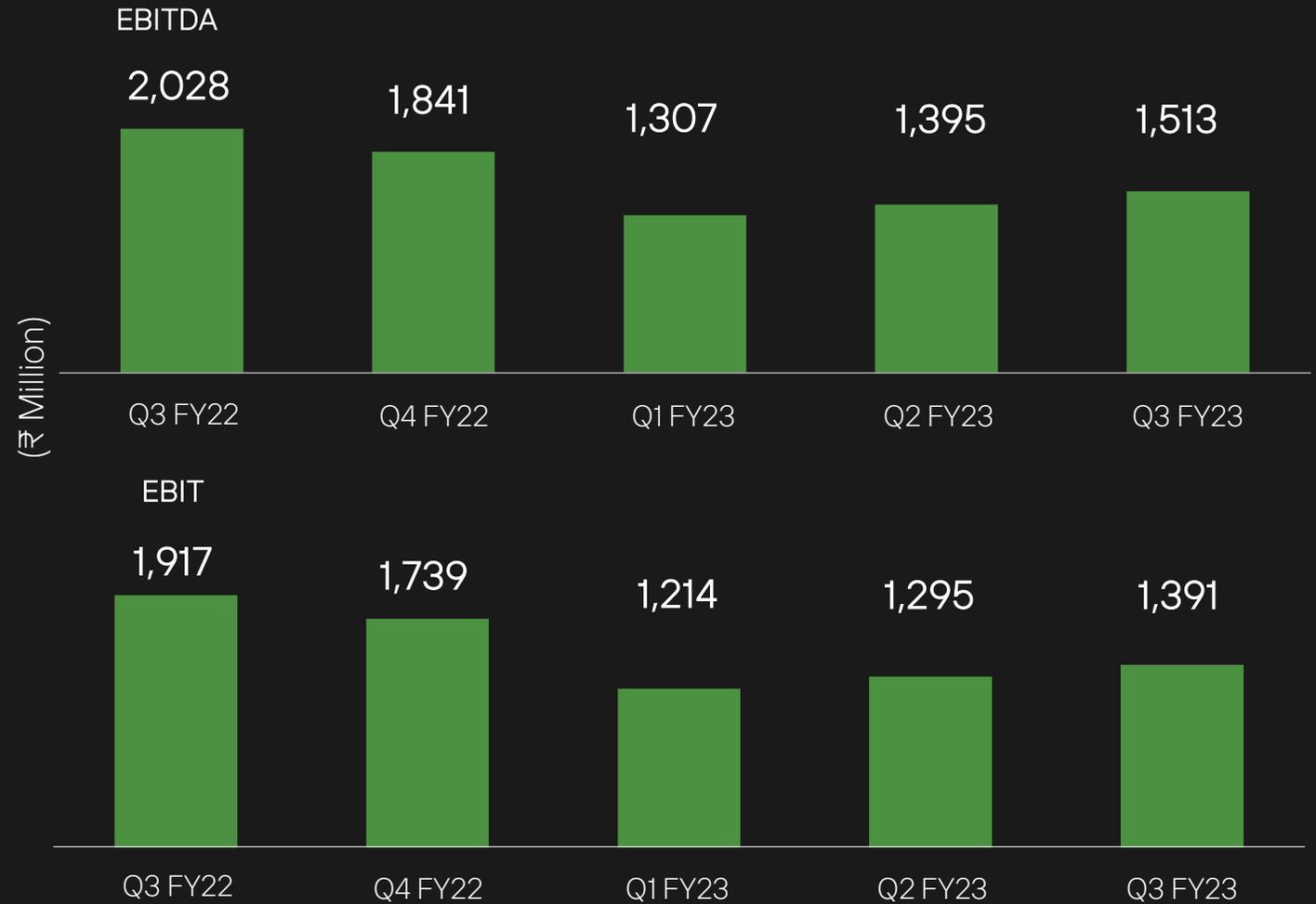
Indirect expenses have gone up by ₹ 130 Mn YOY, driven by spends on marketing (₹17 Mn), norm-based provision for doubtful debts (₹25 Mn), exchange rate fluctuation(₹28 Mn) and CSR (₹17 Mn)



Operating income

EBITDA margin at 17.4% in Q3 FY23, up 100 bps sequentially

Depreciation at ₹122 Mn in Q3 FY23, as against ₹111 Mn in Q3 FY22. Incremental depreciation due to higher amortization of intangibles on the back of platform capitalization in Q2

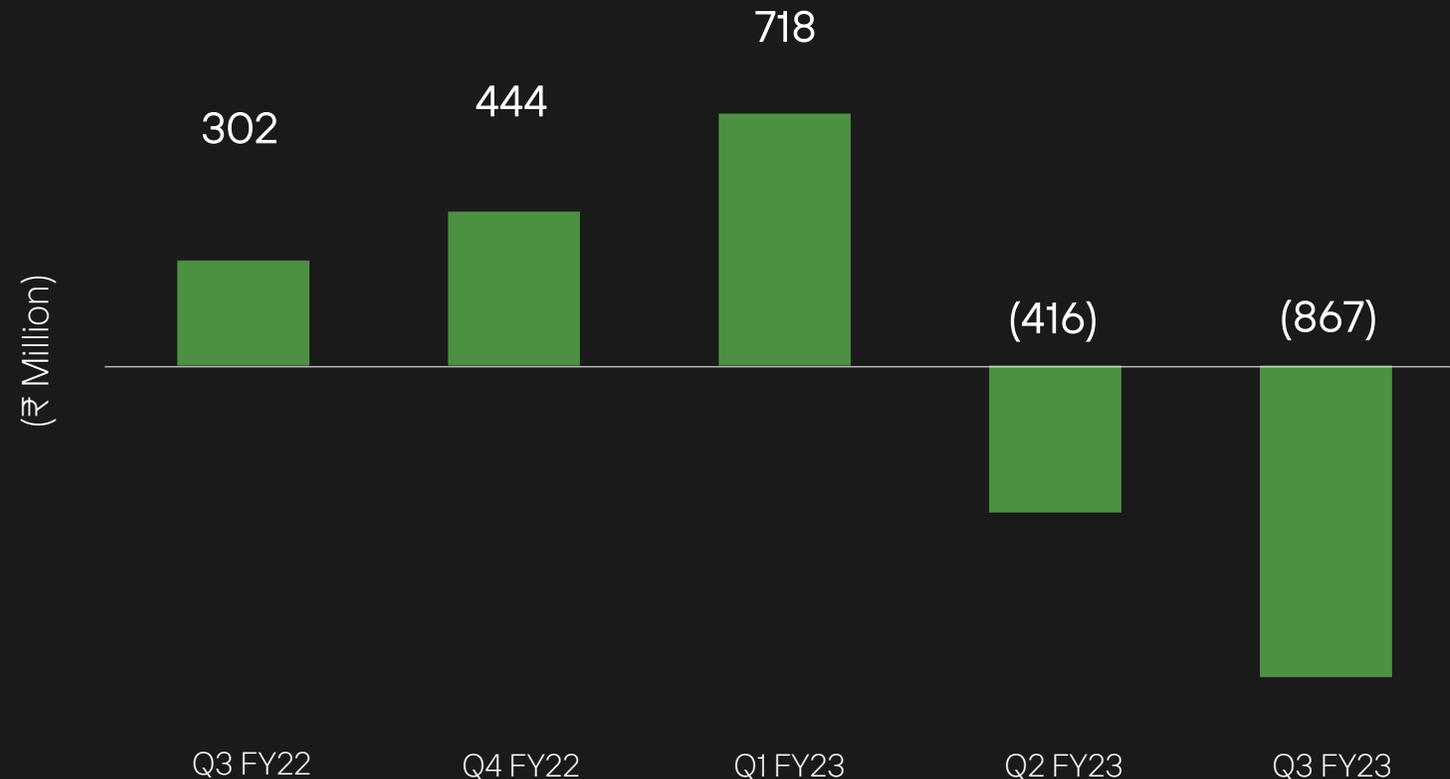


Free cash flow impacted due to investment towards strategic partnerships

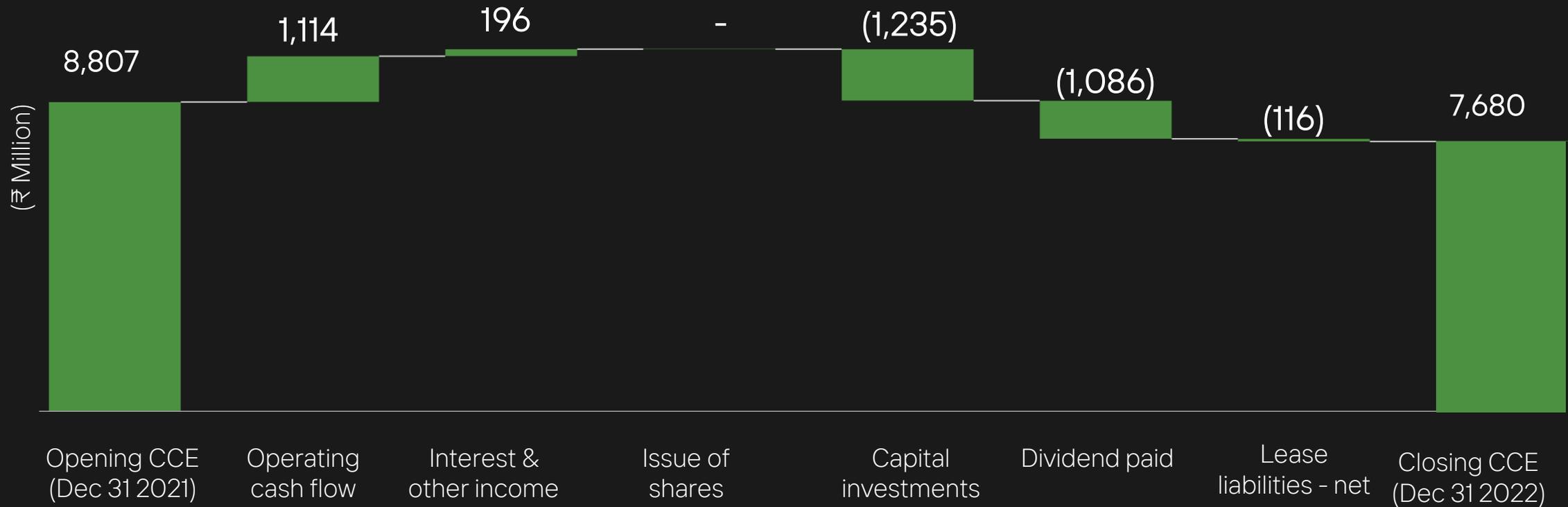
Lower generation of operating cash flow due to working capital investment made towards strategic partnerships

Tax payouts remain consistent. Major investments in innovation center will be completed by Q4

Operating cash flow if normalized for investment in strategic partnership would be at ₹780 Mn and free cash flow at ₹ 510 Mn. We expect normally in operating cash flow by Q4 FY23



Distribution of cash to shareholders and utilized for investments



Cash and Cash equivalent break up

In Million, unless otherwise stated	Current accounts-INR	Current accounts-USD	Fixed Deposits	Restricted cash	Total
	200	430	3,410	200	4,240
	-	-	1,100	-	1,100
	30	-	380	-	410
	30	-	400	-	430
	10	-	190	-	200
	-	180	-	-	180
	-	870	-	30	900
	190	-	-	-	190
Others	10	-	-	20	30
Total	470	1,480	5,480	250	7,680

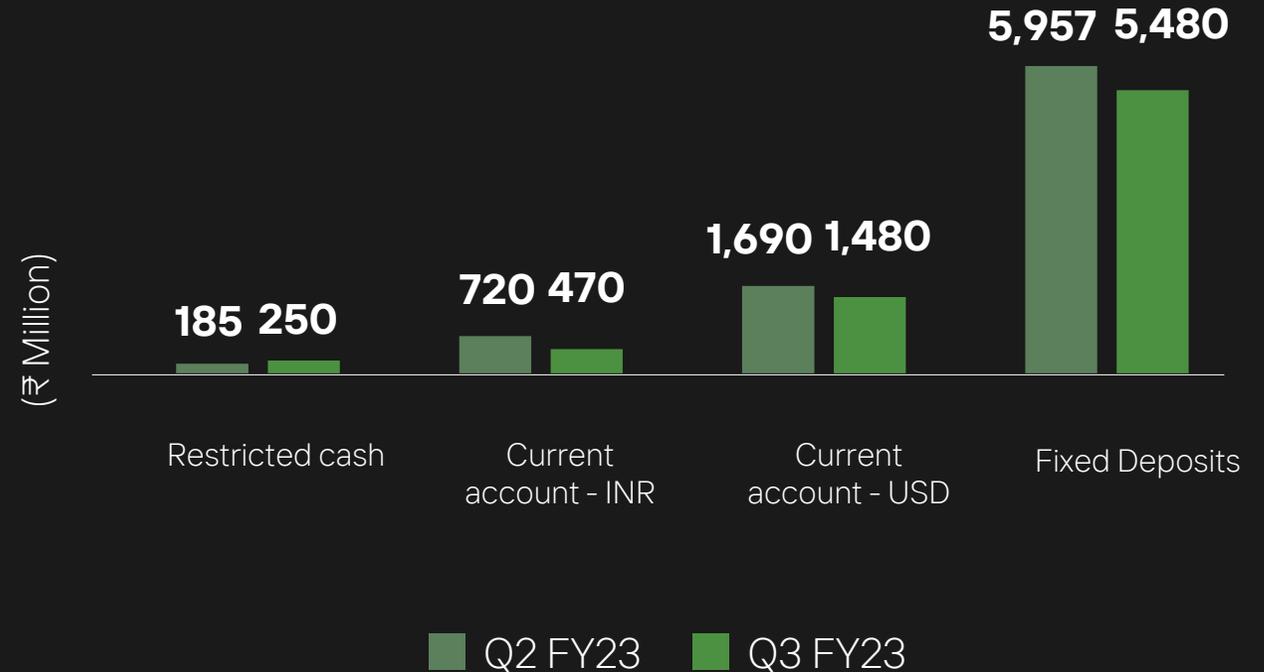
Cash utilization towards strategic partnership

Increase in restricted cash due to issuance of Bank Guarantees for new contracts and participation in RFP

Decrease overall cash balance due to working capital investment made towards strategic partnership

DSO days increased by 6 days at 67, when compared to Q2 FY23

DPO days decreased by 5 days at 72, when compared to Q2 FY23



Net income and EPS

Effective tax rate at 19.7%

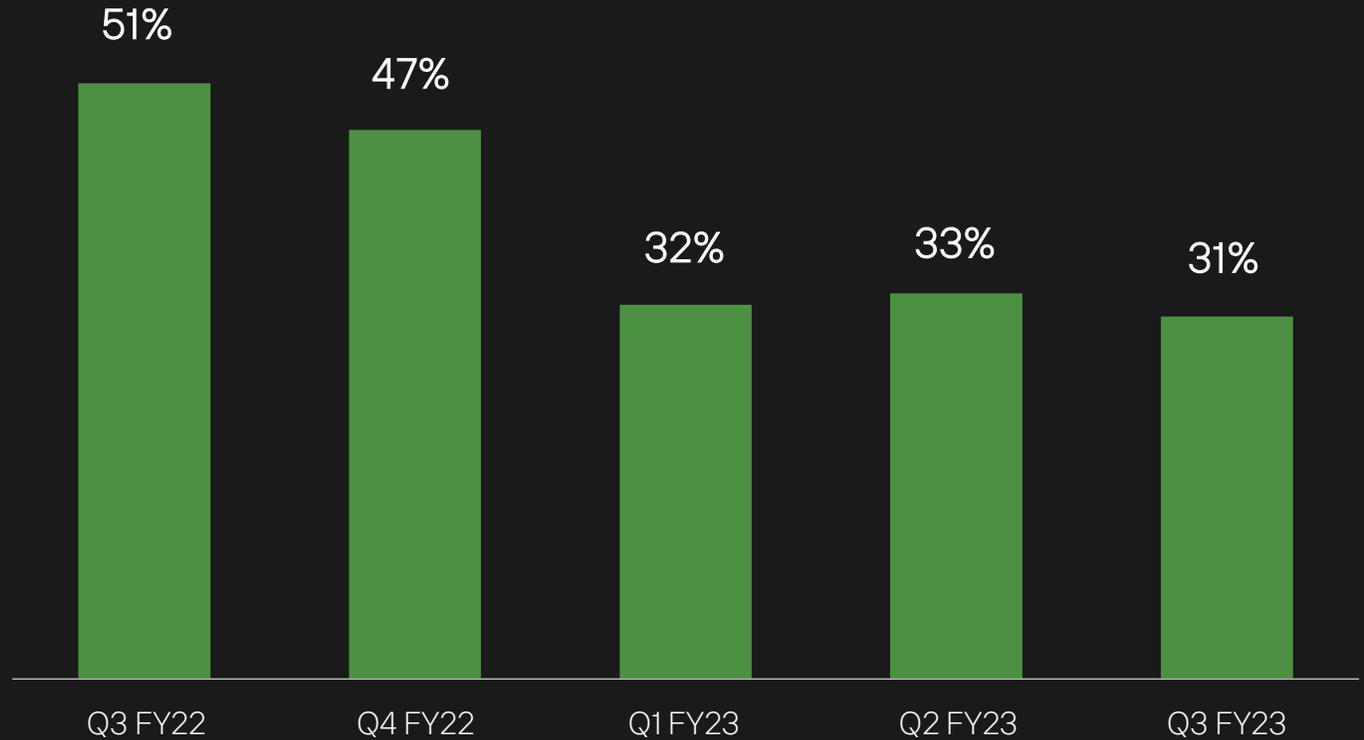
Profit tax after margin at 13%,
decreased by 446 bps YoY due to
drop in EBITDA



Return on capital employed

58%

excluding CCE as against
170% last year



ROCE- Return on capital employed; CCE- Cash & cash equivalents

Strong balance sheet

₹16,078 Mn

Strong Equity
and Reserves

₹7,680 Mn

Cash & cash
equivalents

58%

ROCE (excluding cash &
cash equivalents)

Debt Free

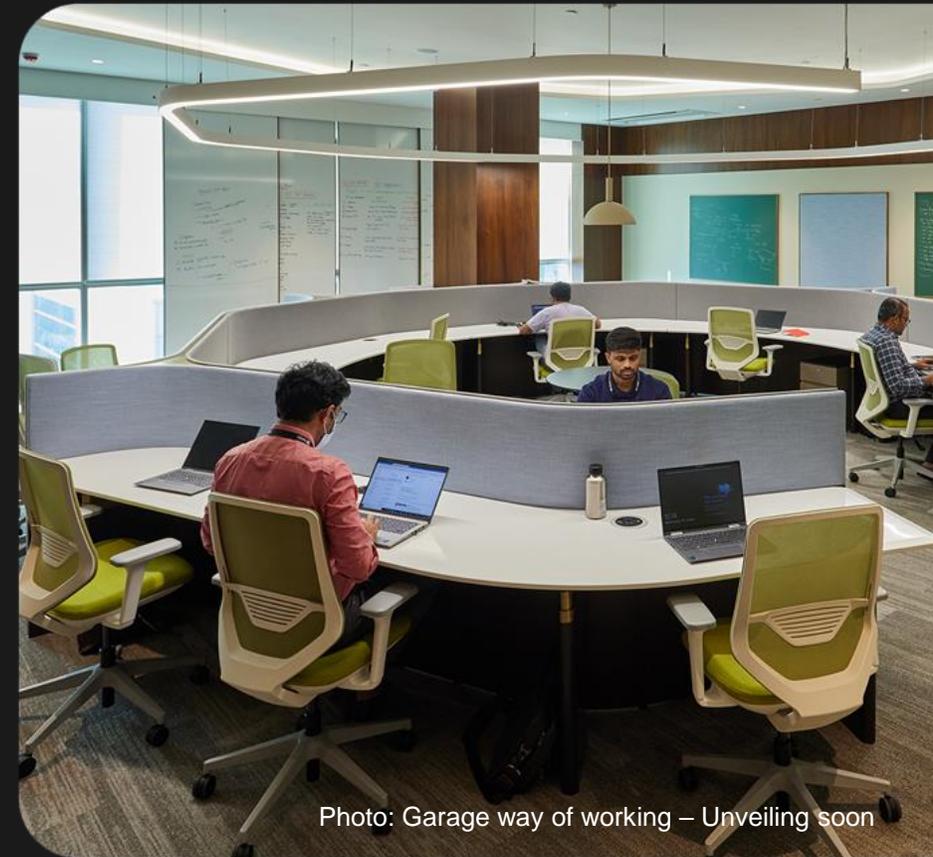


Photo: Garage way of working – Unveiling soon

Update on Corporate action

14,16,666

Equity shares tendered

Third consecutive buyback announced by the Board of Directors and completed on January 11, 2023. The Company bought back 14,16,666 shares at ₹ 1,200 per share for an aggregate amount of ₹ 1,700 Mn through tender route mechanism

ESG update Q3 FY23



Environmental

Steps towards creating a greener & cleaner tomorrow

- **Towards Net-Zero:** Based on the Environment Policy approved by the Board in Q2 FY23, the implementation strategy including the stakeholder responsibility has been signed off in December 2022



Social

Giving back to the society and developing our employees

- **Inclusive Development of Society:** Placed 90/100 candidates skill trained in trades of Electrician, Plumbing & Store-Keeper at the National Academy of Construction in well known infrastructure companies including Megha Engineering, Gayathri MEP, ESSAR Engineering.
- The skill training and interviews for 165 students from six batches have been completed at the Khammam Center and are awaiting placements.
- **Nutrition Support to Class X Students** in 10 schools in Sathupally Mandal, Khammam Dist., Telangana benefiting 452 students, commenced in Dec 2022, enabling students to attend extended school & coaching hours.
- **IIT Madras Scholarship Program:** 5 meritorious students from economically weaker sections (3 male & 2 female) seeking admission in IIT Madras – CS branch, have been given Tanla Scholarship which includes tuition fees, hostel & mess and pocket money. This support will be extended to the students every year.



Governance

Integrating ESG in our business

- **Transparency & Good Governance**
Social Media Policy (SMP): which serves as a guide that lays down principles for public dissemination of Tanla's activities by employees, partners and vendors, has been announced in Q3 FY23

EMPOWERING CONSUMERS & ENABLING COMPANIES

Photo: A Magnificent view from our Innovation
Center– Unveiling soon



Appendix

Profit & Loss Q3 FY23

In ₹ Million, unless otherwise stated	Q3 FY23	Q3 FY22	Δ %	Q2 FY23
Revenue from operations	8,696	8,849	(2)	8,510
Cost of services	(6,528)	(6,239)	5	(6,454)
Gross profit	2,168	2,610	(17)	2,056
Operating expenses	(655)	(582)	13	(661)
EBITDA	1,513	2,028	(25)	1,395
Depreciation & amortization	(122)	(111)	10	(100)
EBIT	1,391	1,917	(27)	1,295
Finance cost	(2)	(3)	(25)	(4)
Other income	61	41	48	111
Profit before taxes	1,450	1,955	(26)	1,402
Tax expense (including deferred tax)	(285)	(375)	(24)	(298)
Profit after tax	1,165	1,580	(26)	1,104
Earning per share	8.58	11.66	(26)	8.14
Weighted average shares outstanding	136	136	-	136

Unaudited Balance Sheet Dec 31, 2022

In ₹ Million, unless otherwise stated	Dec 31, 2022	Dec 31, 2021	In ₹ Million, unless otherwise stated	Dec 31, 2022	Dec 31, 2021
ASSETS			EQUITY AND LIABILITIES		
Non-current assets			Equity share capital	136	136
Property, plant and equipment	600	270	Other equity	15,942	11,921
Platforms	933	560	Total equity	16,078	12,057
Customer Relationships	164	288	Financial liabilities		
Brands	3	12	Lease liabilities	562	544
Technology	3	19	Other financial liabilities	8	3
Non-Compete	26	32	Provisions	29	15
Intangible assets under development	302	277	Other non-current liabilities	6	0
Goodwill	1,346	1,346	Total Non-current Liabilities	605	562
Right-of-use-lease assets	583	558	Current liabilities		
Capital work in progress	684	75	Trade payables	5,142	6,617
Financial assets	156	103	Lease liabilities	62	-
Deferred tax assets (net)	346	370	Other financial liabilities	2,519	2,858
Other non-current assets	427	205	Other current liabilities	87	127
Total non-current assets	5,573	4,115	Short term provisions	2	2
Trade receivables	6,316	5,212	Liabilities for current tax (net)	343	219
Cash and bank balances	7,680	8,807	Total Current liabilities	8,155	9,823
Other Financial assets	4,213	3,851	TOTAL EQUITY AND LIABILITIES	24,838	22,442
Other current assets	1,056	457			
Total current assets	19,265	18,327			
TOTAL ASSETS	24,838	22,442			

Condensed Cash flow

In ₹ Million, unless otherwise stated	Q3 FY23	Q3 FY22
Cash flow before changes in working capital	1,605	2,125
Changes in working capital	(1,792)	(1,527)
Cash generated from operations	(187)	598
Taxes	(421)	(180)
Cash flow from operating activities	(608)	418
Net investments in tangible and intangible assets	(259)	(116)
Interest and other income	99	41
Cash flow from investing activities	(160)	(75)
Issue of Shares	0	11
Buyback of shares	-	-
Dividend paid	-	-
Interest paid on lease liabilities	(75)	(4)
Cash flow from financing activities	(75)	7
Cash flow for the period	(843)	350
Cash and cash equivalents at the beginning of period	8,523	8457
Cash and cash equivalents closing balance	7,680	8,807

Free cash flow

In ₹ Million, unless otherwise stated

	Q3 FY23	Q3 FY22	Δ %	Q2 FY23
Operating cash flow	(608)	418	(246)	41
Capital expenditure	(259)	(116)	124	(457)
Free cash flow	(867)	302	(387)	416
Free cash flow in percent of total revenue	-	3%	-	-
Free cash flow as % of PAT	-	19%	-	-



Thank you

Investor Update Q3 FY23

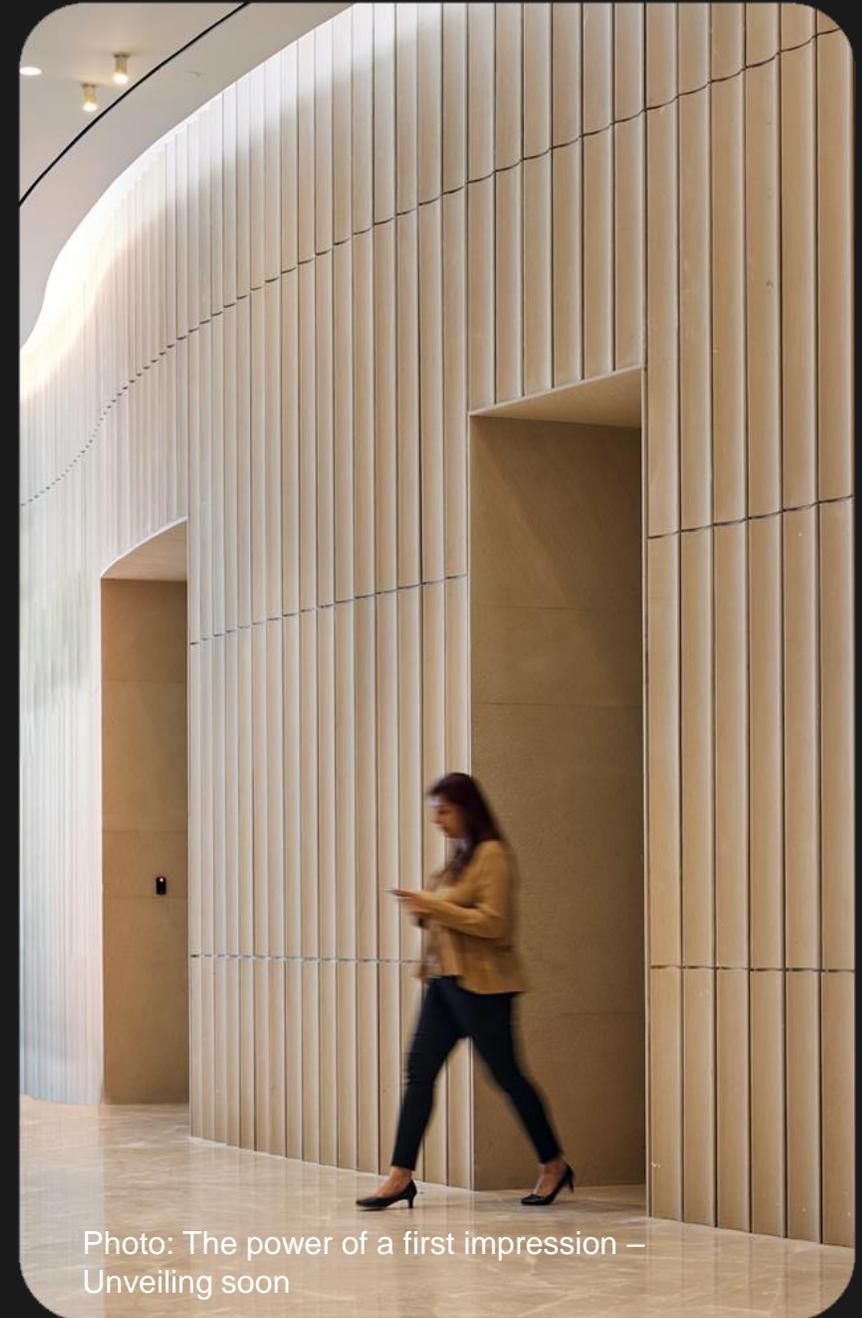


Photo: The power of a first impression –
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