

Investor Presentation

April 2023



TATA COMMUNICATIONS

FY23 Performance at a Glance

Upward Shift in our momentum

Strong Financial Performance in FY23

★ 10.3%

Data Revenue Growth

★ 24.2%

Consolidated EBITDA Margin

★ 10.1%

Highest PAT% ever

★ 2,539 Cr.

Highest Cashflow ever

Uptick in Momentum

Digital Portfolio (DPS & Incubation) up by 21% YoY; highest in 4 yrs

Top 300 customer PPR improved to 6.49 in FY23 v/s 6.11 in FY21

Funnel addition has been the highest; Large deal funnel increased by >50%

Significant improvement in the Million Dollar Customers Club

DPS Revenues improved by 15.5% YoY; Incubation up by 116.6%

Reported strong Financial KPIs and well within the guidance

Significant improvement in the Million Dollar Customers Club

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Comments from the Management



I am pleased that we have met the Company ambition of double-digit data growth for the past three consecutive quarters and for the full year,” said A.S. Lakshminarayanan, MD and CEO, Tata Communications. “Our expanding digital portfolio coupled with improving relevance quotient across India and International markets is helping us reposition the Company as a ‘CommTech’ leader. We remain committed to our Reimagine strategy to deliver profitable growth by creating sustainable value for our customers.”

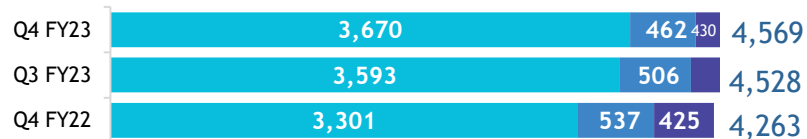
“Our business results are proof that the ‘Fit to Grow’ strategy is now in motion from concept to action and its success is evident in the full year double-digit data revenue growth. We are now building the Company for a new growth trajectory enabled by our strong cash flow generation,” said Kabir Ahmed Shakir, Chief Financial Officer, Tata Communications.



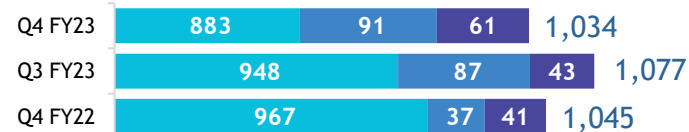
Key financials (Quarterly)

Revenue | EBITDA | FCF

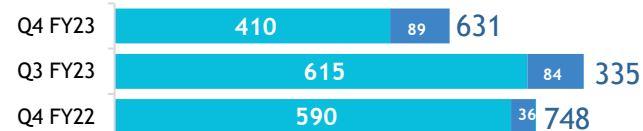
REVENUE*



EBITDA*



FCF*



*All figures in Rs. crore

Consol FCF = Profit After Tax + Depreciation + Taxes + Interest Expense + Non-Operating Exp - Lease Payment - Change in Working Capital - Cash Tax Paid + Tax Refund

BU FCF is calculated as EBITDA - Committed Capex

- Consolidated revenues increased by 7.2% YoY.
- Data revenue grew by 2.2% QoQ and 11.2% YoY backed by growth across all the segments.
- Data revenue posted double digit YoY growth for third consecutive quarter.
- EBITDA stood at INR 1,034 Crores. Margin came in at 22.6%.

Revenue Growth %	QoQ	YoY
Data	↑ 2.2%	↑ 11.2%
Voice	↓ (8.6%)	↓ (13.9%)
Others	↑ 1.5%	↑ 2.6%
Consol	↑ 0.9%	↑ 7.2%

EBITDA Growth %	QoQ	YoY
Data	↓ (6.9%)	↓ (8.8%)
Voice	↑ 3.8%	↑ 142.5%
Others	↑ 43.6%	↑ 50.3%
Consol	↓ (4.0%)	↓ (1.1%)

FCF* Growth %	QoQ	YoY
Data	↓ (33.3%)	↓ (30.5%)
Voice	↑ 6.2%	↑ 145.5%
Consol	↑ 88.1%	↓ (15.6%)

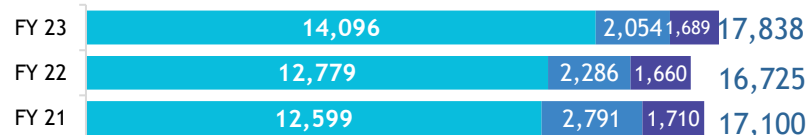
■ Data ■ Voice ■ Others

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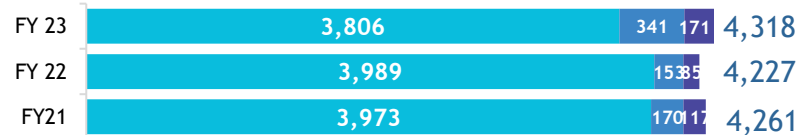
Key financials (Annual)

Revenue | EBITDA | FCF

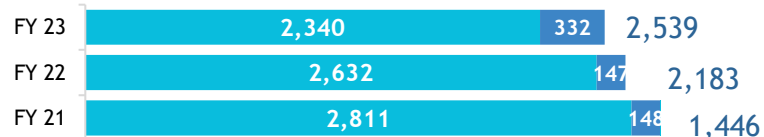
REVENUE*



EBITDA*



FCF*



*All figures in Rs. Crore.

Consol FCF = Profit After Tax + Depreciation + Taxes + Interest Expense+ Non-Operating Exp- Lease Payment - Change in Working Capital - Cash Tax Paid + Tax Refund

BU FCF is calculated as EBITDA - Committed Capex

- Data business witnessed strong growth in FY23 reporting double-digit growth of 10.3%
- Voice business continues to decline albeit the rate of decline was lower in FY23
- EBITDA Margin stood at 24.2%, well within the guidance of 23-25%
- EPS of INR 63/share and a dividend payout of INR 21 per share

Revenue Growth %	FY 21	FY 22	FY 23
Data	↑ 6.1%	↑ 1.4%	↑ 10.3%
Voice	↓ (17.3%)	↓ (18.1%)	↓ (10.2%)
Others	↓ (5.9%)	↓ (3%)	↑ 1.8%
Consol	↑ 0.2%	↓ (2.2%)	↑ 6.7%

EBITDA Growth %	FY 21	FY 22	FY 23
Data	↑ 38.4%	↑ 0.4%	↓ (4.6%)
Voice	↓ (35.3%)	↓ (10.2%)	↑ 124.7%
Others	↓ (24.1%)	↓ (27.4%)	↑ 101.1%
Consol	↑ 29.5%	↓ (0.8%)	↑ 2.2%

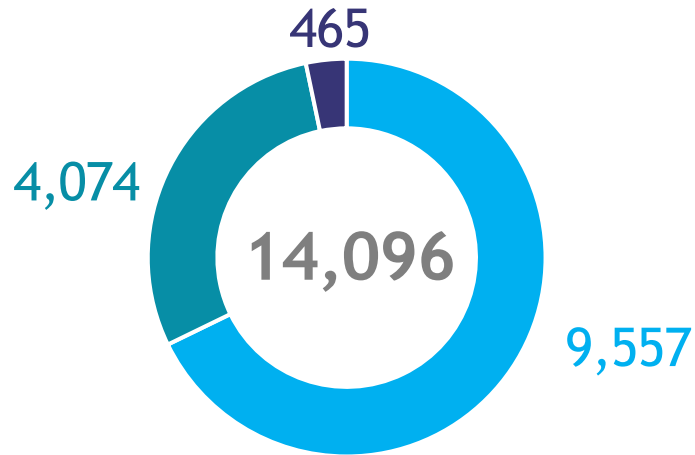
FCF Growth %	FY 21	FY 22	FY 23
Data	↑ 71.3%	↓ (6.4%)	↓ (11.1%)
Voice	↓ (41.4%)	↑ 0.2%	↑ 126.4%
Consol	↑ 67.7%	↓ (7.8%)	↑ 16.3%

Numbers that matter | Data Portfolio Performance

Our Data business remains instrumental to our overall revenue. Data Revenue continues to improve sequentially reporting double digit growth for FY23.

Gross Revenue (Data)

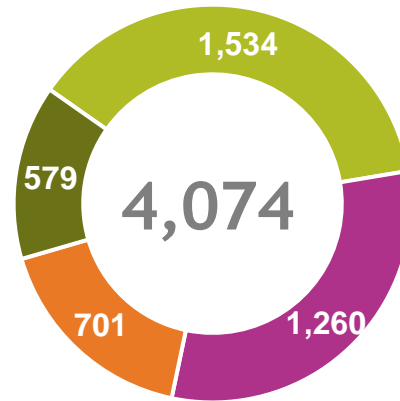
(Rs. in crore)



■ Core ■ DPS ■ Incubation

Gross Revenue (Digital Platforms & Services)

(Rs. in crore)



■ Collaboration & CPaaS ■ Next Gen Connectivity
■ Cloud, Hosting & Security ■ Media Services

5.7% YoY Growth

Core Connectivity

15.5% YoY Growth

Digital Platforms & Services

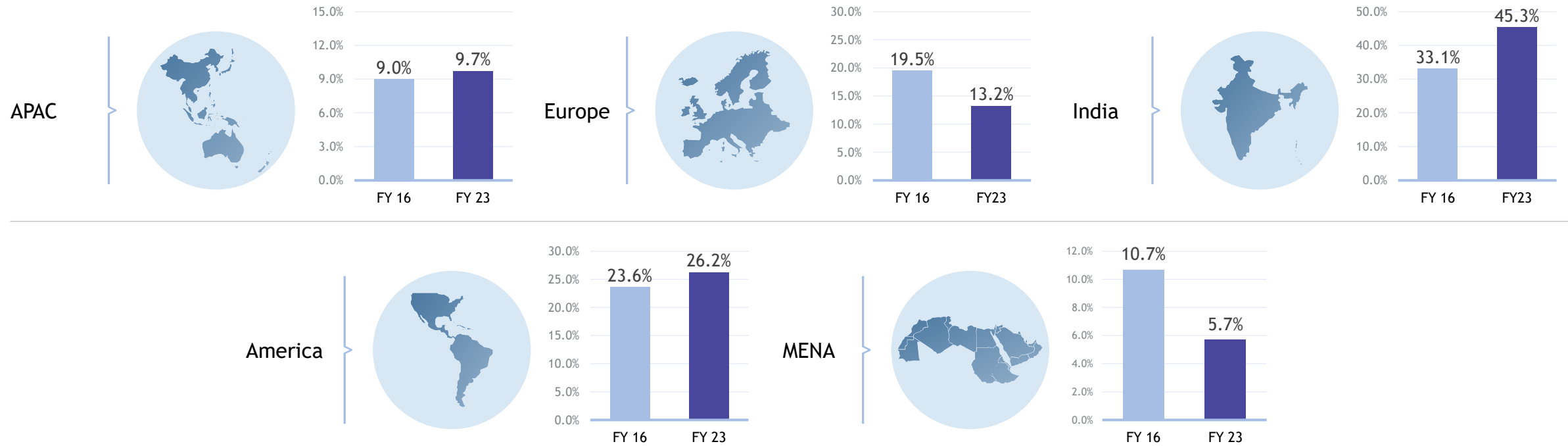
116.6% YoY Growth

Incubation

Key financials (Annual)

Geographical spread

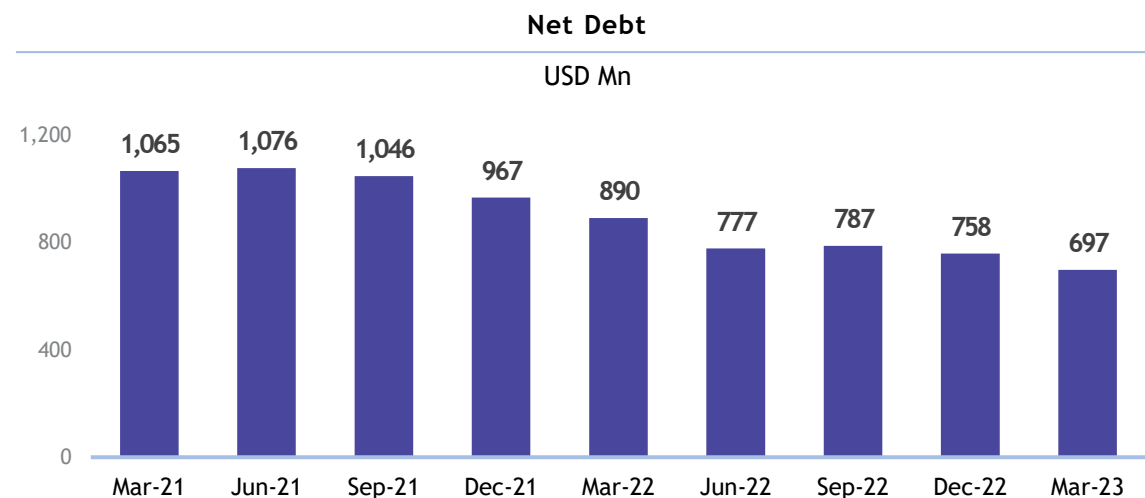
Gross Revenue Share by Geography* -



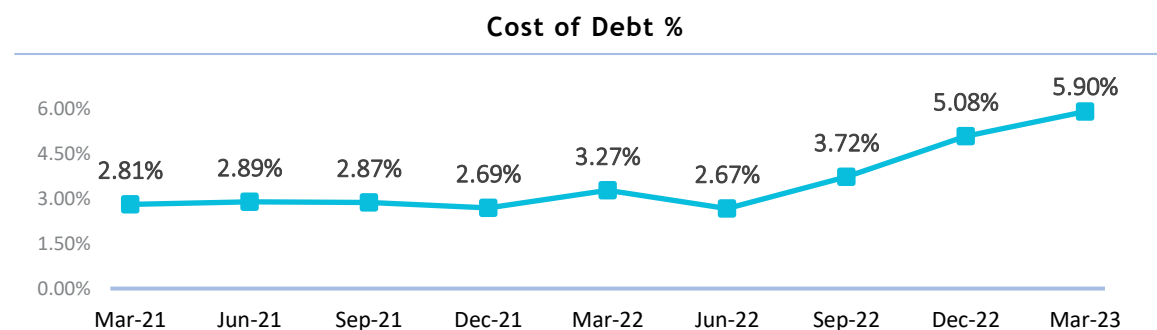
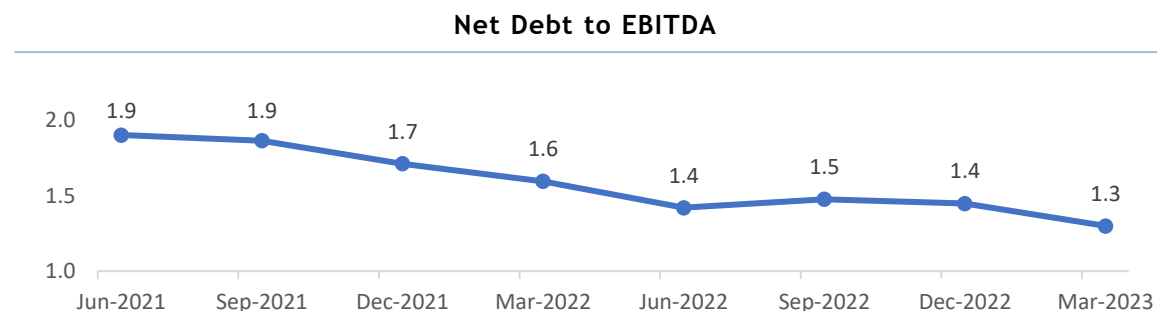
* Data Revenue for all geographies excluding subsidiaries and rentals.

Key financials (Annual)

Balance Sheet Highlights | Net DEBT



- Net debt was at USD 697 Mn, witnessing a decrease of USD 61 Mn over last quarter, due to strong operational performance and working capital improvement
- Average cost of borrowing for Q4 FY23 was 5.9% against 5.1% in Q3 FY23, primarily due to increase in interest rates globally



Note: FY21- 74.25; Q1 FY22- 73.76, Q2 FY22 - 74.11; Q3 FY22 - 74.93, Q4 FY22 - 75.19; FY22 - 74.50; Q1 FY23- 77.12, Q2 FY23 - 79.76; Q3 FY23 - 82.21, Q4 FY23 - 82.27; FY23 - 80.34;

What, why and how Tata Communications at a Glance

Why we exist

Deliver a new world of communications to the industry and our customers

CUSTOMER DRIVERS

Enabling borderless growth

Boosting product innovation and customer experience

Enhancing productivity and efficiency

Building agility

Managing risk

PLATFORMS AND EXPERIENCE

Customer intimacy



Core Connectivity and Next Gen connectivity



Collaborations and Connected Services



NetFoundry



Media Solutions



Cloud, Edge and Security



Voice

Services Wrap

COMMITMENTS



Sustainability



Innovation



Artificial Intelligence

How we do it

Our DRIVE culture

Daring | Responsive | Inclusivity | Venturing | Ethical

Trends shaping the industry

We facilitate businesses to pursue digital transformation through navigating new and emerging technologies, to transition seamlessly into a more intelligent future.

Platform economy

7 of 10

Most valuable companies based on platforms

(Source: [Bloomberg and Google](#))

Managed services

12.4%

Growth of global managed services between 2022 and 2027

(Source: [Mordor Intelligence](#))

Enterprise mobility

5.7 billion

Mobile subscriptions by 2025

(Source: [GSMA Intelligence](#))

Internet of Things (IoT)

73.1 ZB

Data will be generated globally, by 55.7 billion IoT devices by 2025

(Source: [IDC](#))

Cloud computing

51%

Of the IT spending will shift to the cloud by 2025

(Source: [Gartner](#))

Hybrid SDN

60%

Of enterprises will have implemented SD-WAN by 2024

(Source: [Gartner](#))

Cybersecurity awareness

11.2%

CAGR (2020-25) for End-user spend for information security & risk mgmt

(Source: [Gartner](#))

Artificial Intelligence (AI)

70%

of organizations planned to increase AI investments by 2025

(Source: [Gartner](#))

Market we address

Our opportunity landscape

While all areas of our portfolio are expected to grow, 6 key pillars have been identified to significantly contribute to our growth in revenue.



CORE CONNECTIVITY



NEXT GENERATION CONNECTIVITY



COLLABORATION & CPaaS



CONNECTED SERVICES



CLOUD, HOSTING, SECURITY & SD-WAN



VOICE

Available Market 2024

Core Connectivity	
CAGR	(1.9%)
2024	\$132Bn
2020	\$136Bn

Next Generation Connectivity	
CAGR	14.5%
2024	\$18Bn
2020	\$11Bn

Collaboration and CPaaS	
CAGR	+14.9%
2024	\$68Bn
2020	\$39Bn

Connected Services	
CAGR	+24.2%
2024	\$28Bn
2020	\$12Bn

Cloud, Hosting, Security & SDWAN	
CAGR	+18.4%
2024	\$30Bn
2020	\$15.4Bn

Voice	
CAGR	(5.9%)
2024	\$9Bn
2020	\$11Bn

11 Cloud and Hosting are primarily India based and the relevant market share has been stated



Thank you

www.tatacommunications.com

Contact for investor queries:

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