



Tanla Platforms Limited
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July 22, 2021

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: Investors Updates for the quarter ended June 30, 2021

With reference to the subject cited, we are enclosing herewith Investors Updates for the quarter ended June 30, 2021.

Yours faithfully,

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



Seshanuradha Chava
General Counsel and Chief Regulatory Officer
ACS-15519

The world's leading brands trust Tanla

Q1 21-22

Investor Update

July 22, 2021



Safe Harbor

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 20/06/21, 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

4x

Revenues

8x

EBITDA

9x

PAT

1004

Gross Margin%
Basis points increase

883

EBITDA%
Basis points increase

815

PAT%
Basis points increase

in 5 years from FY2017-21

Accelerated Innovation

wisely

- 3 patents awarded
- Co-sell partnership with Microsoft

TRUBLOQ

- World's first block chain enabled CPaaS stack
- Trusted by over 44,000 enterprises
- 62% volume market share

CPaaS Market leader in India

800B

Interactions/year

42%

Revenue
market share

62%

DLT volume
market share

41%

NLD volume
market share

75%

ILD volume
market share

Enterprise segment market leader

30%+

Market share in India



Choice of leaders across industry

9/10

Banking
E-commerce
Government

8/10

Financial services
Information
Technology

7/10

Healthcare
Consumer goods
Social Media Retail

1300

Customers across
segments

60%+

of total revenues contributed
by 50 of our top 100 customers,
retained for more than 5 years

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

Listed in Indices

MSCI

Nifty500

Nifty Smallcap250

Nifty MidSmallcap400

Nifty Smallcap100

S&P BSE SENSEX

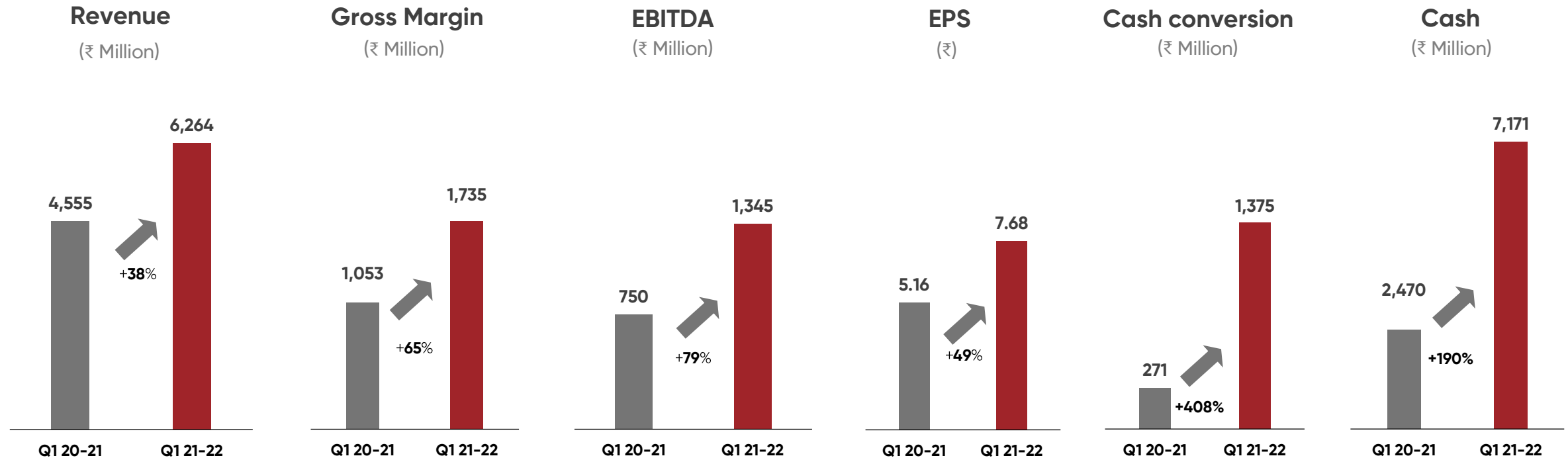
FTSE Russell

dun & bradstreet

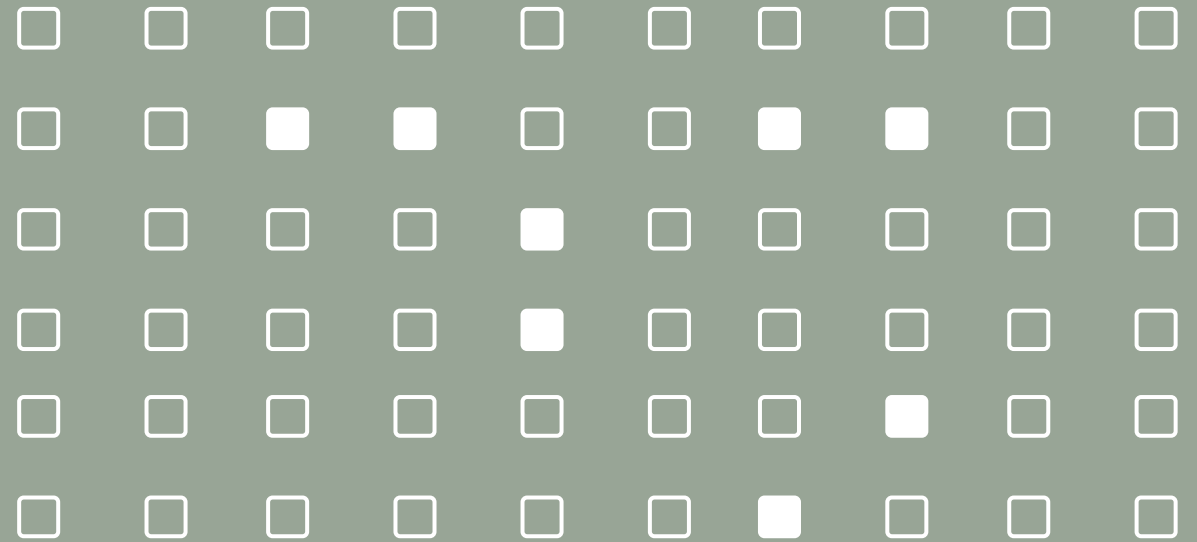
featured in Next top 100
companies in India

Stellar start into the year

Key financial metrics



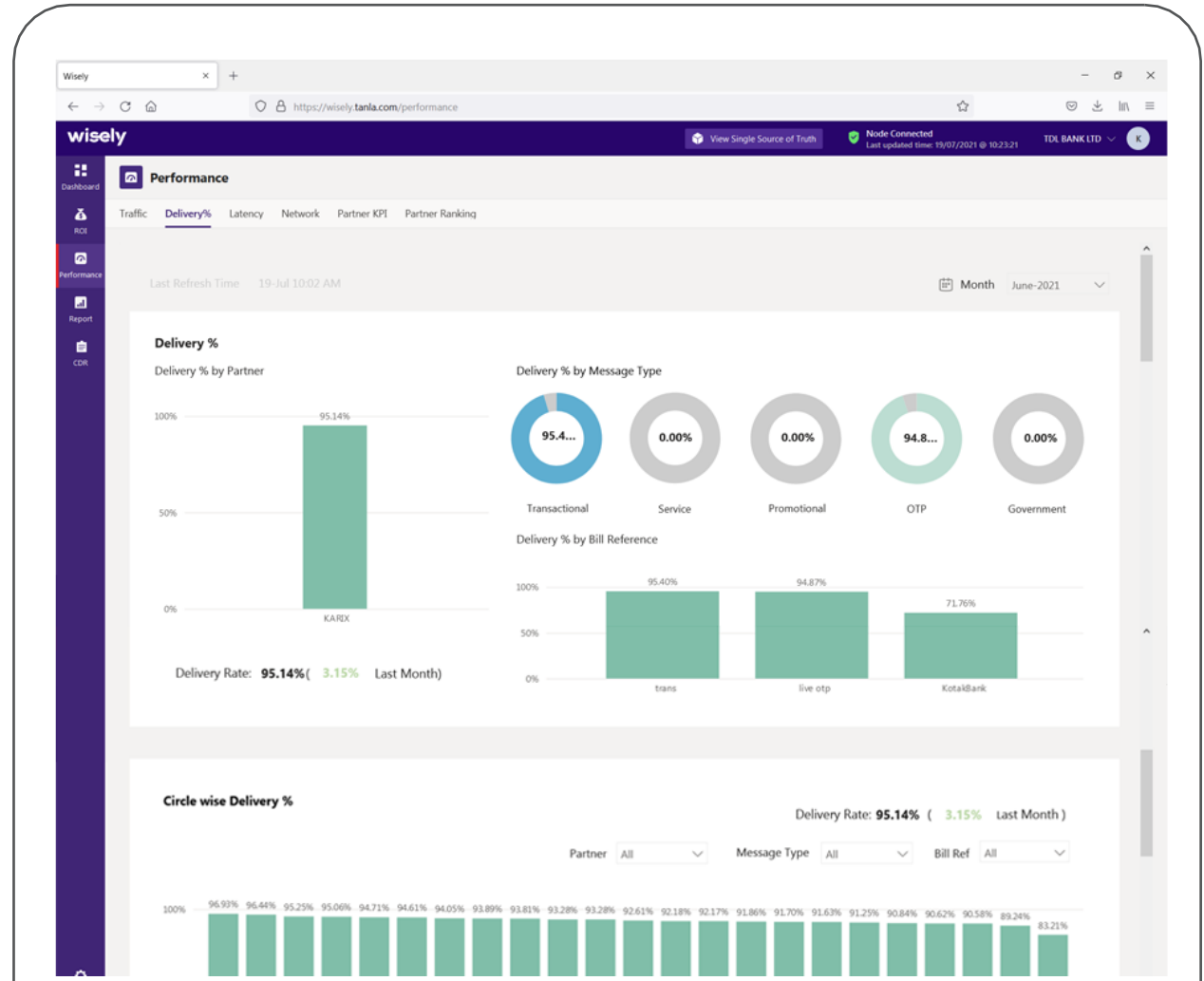
CUSTOMER UPDATES



Wisely platform helps Axis Bank pave the way for true customer data privacy and security



- Blockchain based end-to-end secured messaging platform
- Customer trust & confidence. My bank My Message.
- Transparent – Verified, Zero dispute reports
- As-a-Service model – Scalable and reliable



One of the largest life science company unlocks SMS communication for millions of farmers with Tanla

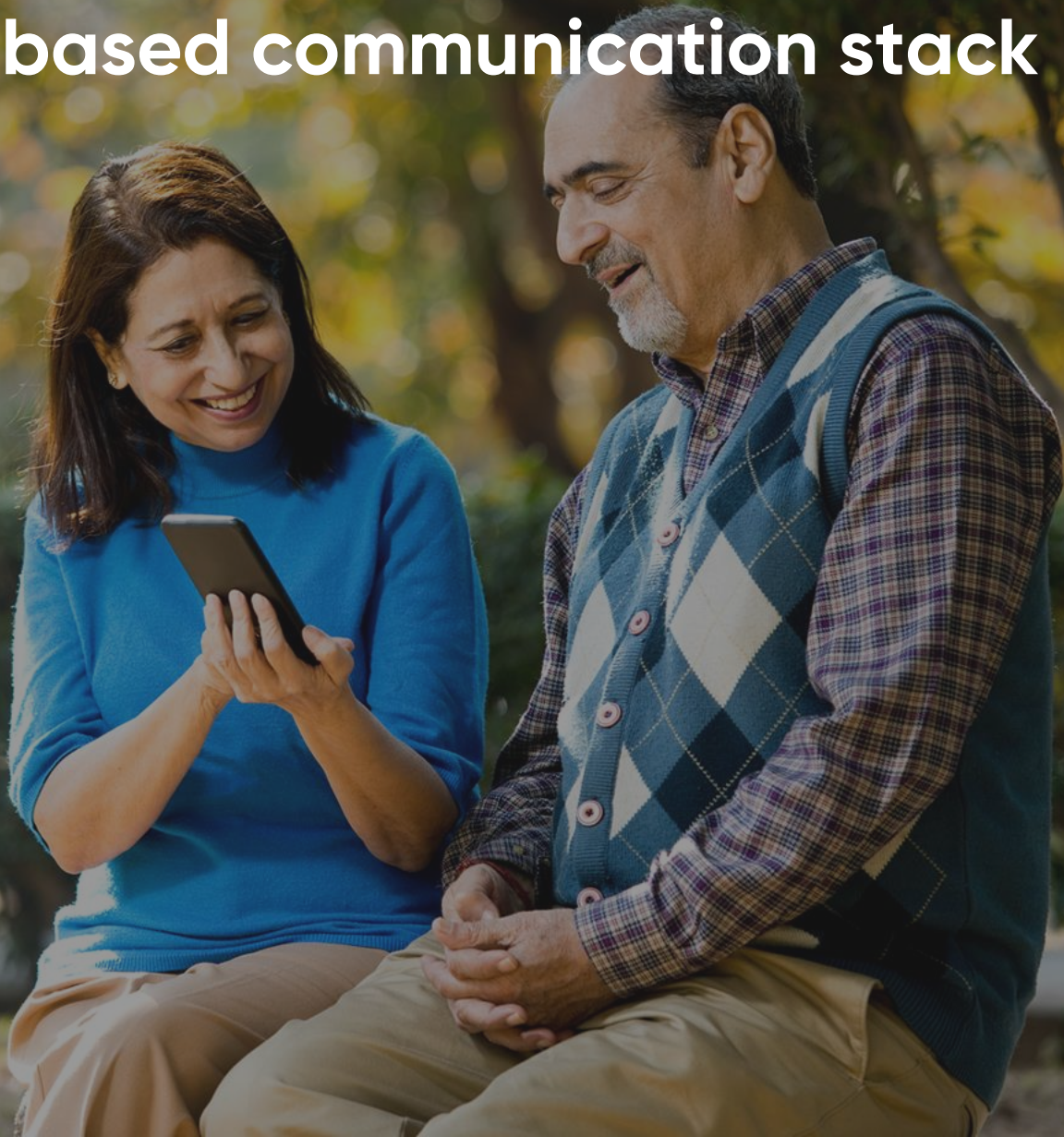
Right crop information and products using
interactive SMS links in multiple languages



Ground-breaking innovation for the telecom industry, powered by blockchain based communication stack

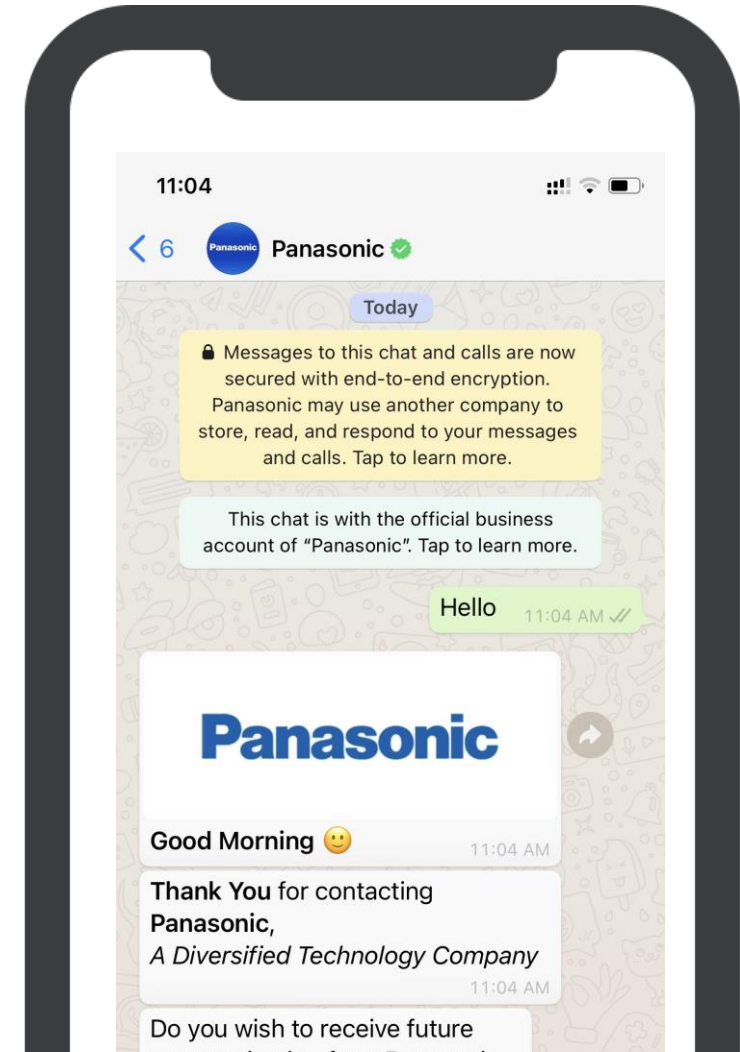
TRUBLOQ

- Over 44,000 enterprises are now using Trubloq solution; 2 million content templates registered
- Enabled 5 out of 7 telecom operators in India with 62% market share of all scrubbed messages
- Reduced subscriber complaints by 60%



"A better life, A better World" – How Panasonic improves customer care with Karix and WhatsApp

- Automated conversational solution for product and service-related inquiries
- 2-way communication between brand and the user, in language of choice
- Solution helped Panasonic deflect 10% inquiries to WhatsApp from their call centre
- Helped the brand increase overall NPS by providing info and service on demand



IFFCO Tokio deployed Karix smart messaging analytics to promote their policies to 3 Mn farmers across India

Resulted in 8x increase
in farmer engagement



Paisa Bazaar uses Gamooga Omni channel marketing platform with 8X increased conversions

paisabazaar.com | #PaisaSeBadhkar

Login With QR Code



Open the Paisabazaar app on android, tap the Hamburger menu on the top left & tap on Scan
[See How](#)

Login with Google
Login with Facebook

or

Login with Mobile Number

Mobile Number
You will get the OTP on this number

Send OTP

By logging in, you agree to the following [Credit Report Terms of Use](#) and [Terms of Use](#)

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CASHBACK CARDIVAL
A Carnival of Cards and Cashback

Compare, Apply & Get Assured ₹500 Cashback on every credit card issued

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OUR PRODUCTS

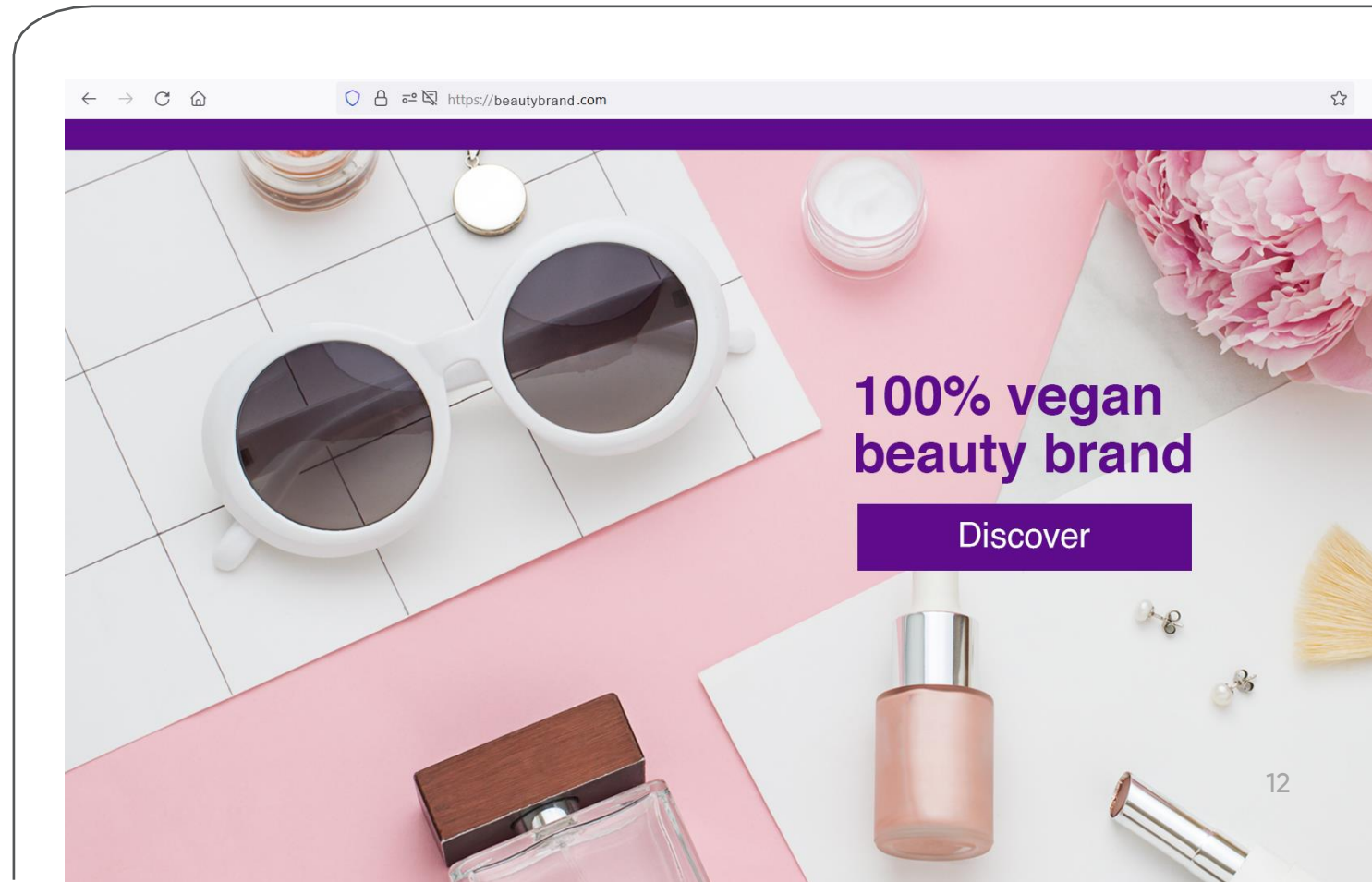
- CREDIT CARDS**
From 50+ options, choose a card matching your lifestyle & needs
Assured ₹500 CASHBACK
- PERSONAL LOAN**
Select the best offer curated just for you from a wide choice of lenders
Upto 100% CASHBACK
- MICRO LOANS (UNDER ₹50K)**
Instant small ticket loans to meet your immediate cash needs
- BUSINESS LOAN**
Expand your business with loans at lowest interest rates
- TRANSFER PERSONAL LOAN**
Get better interest rates on your existing personal loan
- NEW HOME LOAN**
Choose from low interest rates available for your dream home

TRANSFER HOME | LOAN AGAINST | GOLD LOAN | LIFE | HEALTH INSURANCE | SAVINGS ACCOUNT



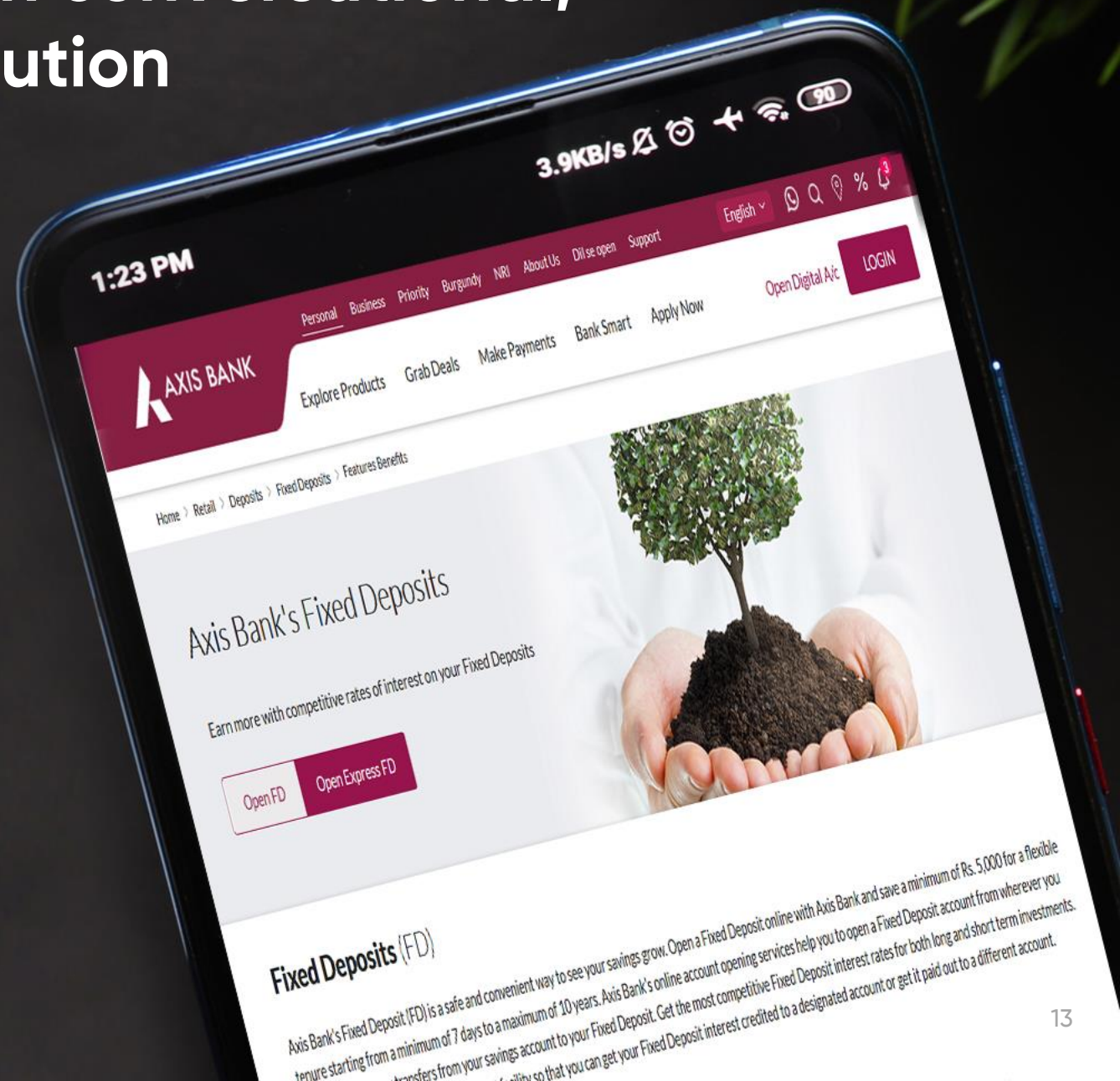
Large online beauty brand uses Gamooga Re-targeting solution to convert anonymous visitors to registered users

- Personalized sign-up forms enabled for capturing details of site visitors based on their product browsing history
- Displayed personalized banners to these users with targeted offers
- Re-targeting these visitors with these specific offers resulted in 2x conversion rate



Karix enabled Axis Bank with conversational, branchless banking SMS solution

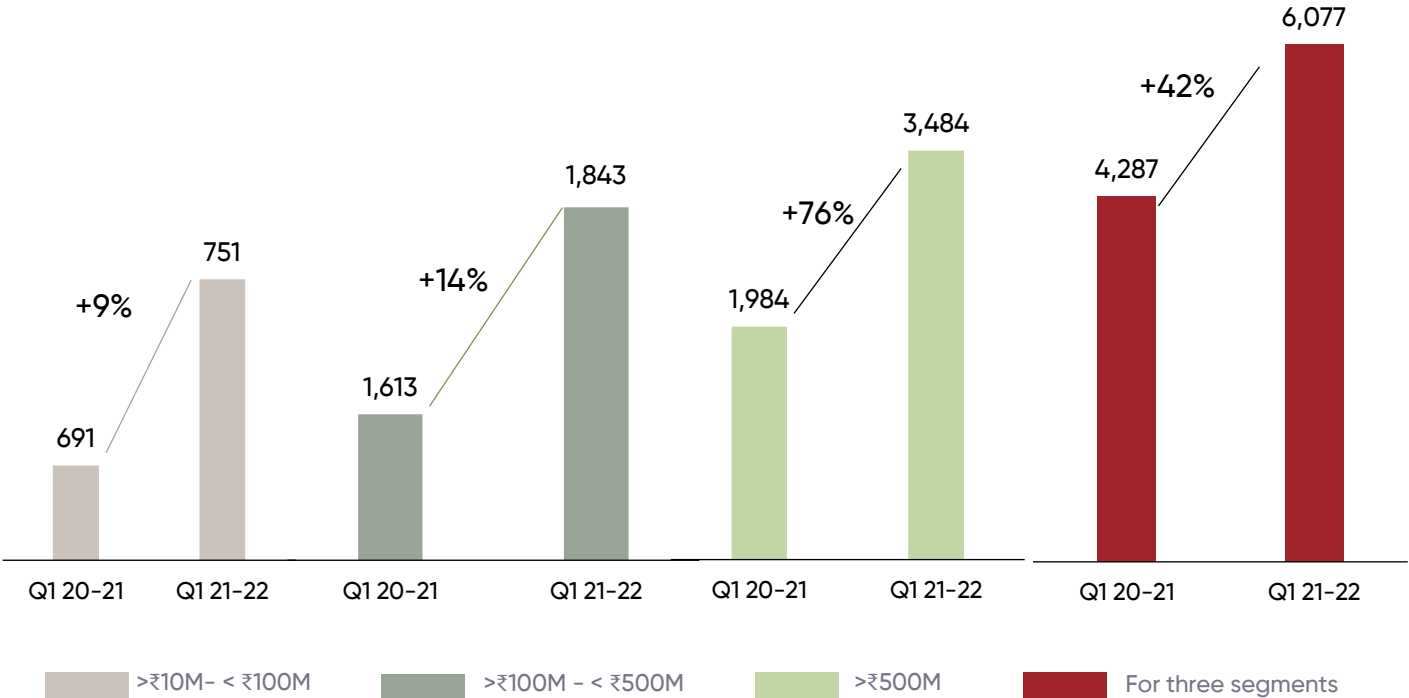
- Eliminated need for visiting branch or filling a form to renew term deposits
- Simple solution offered over interactive SMS, removing the need for senior citizens to download any app
- Increased Axis Bank's term deposit conversion by 18%



Revenue grew across all customer segments

(₹ Million)

Customers with revenue > ₹500 million contributed 56% in Q1 21-22 as against 44% in Q1 20-21



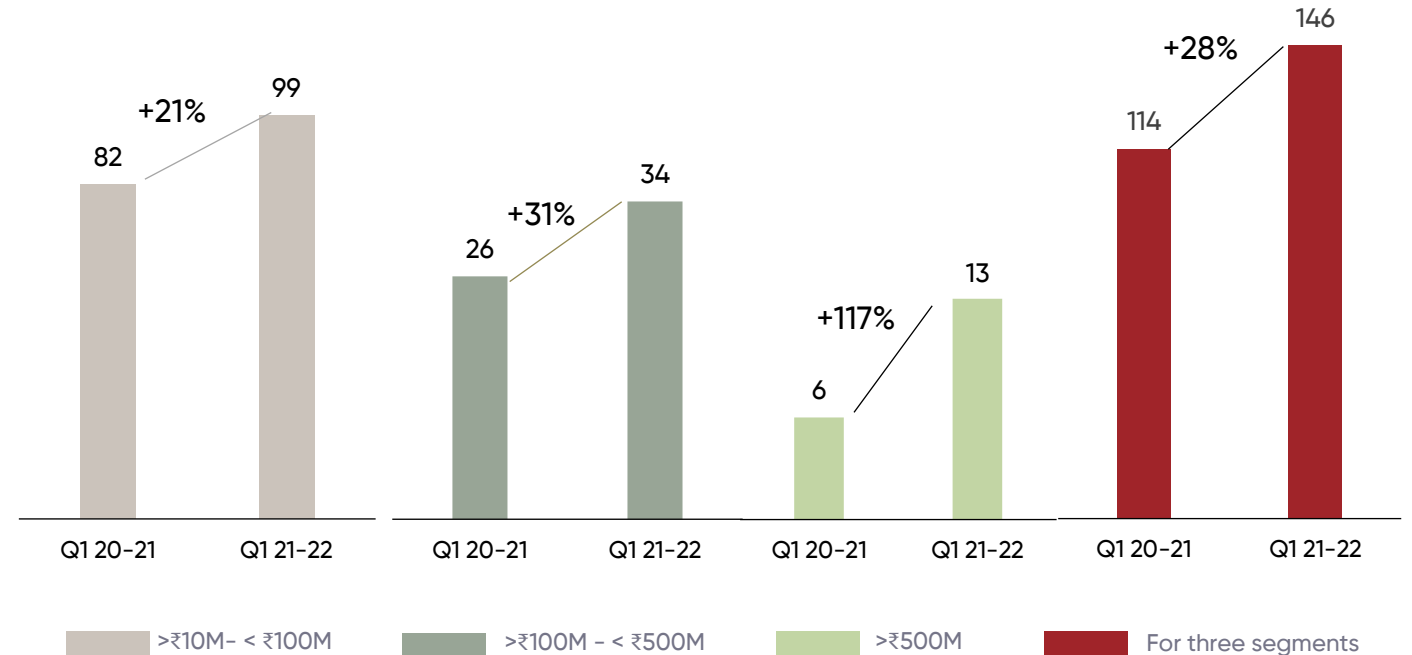
Customer segments are arrived at on a quarterly annualized basis (quarter revenue multiplied by four)



Customer addition in all segments

(No of customers)

- 146 customers with revenue of > ₹10M+ up from 114 customers in Q1 20-21
- 13 customers with revenue > ₹500M up from 6 in Q1 20-21



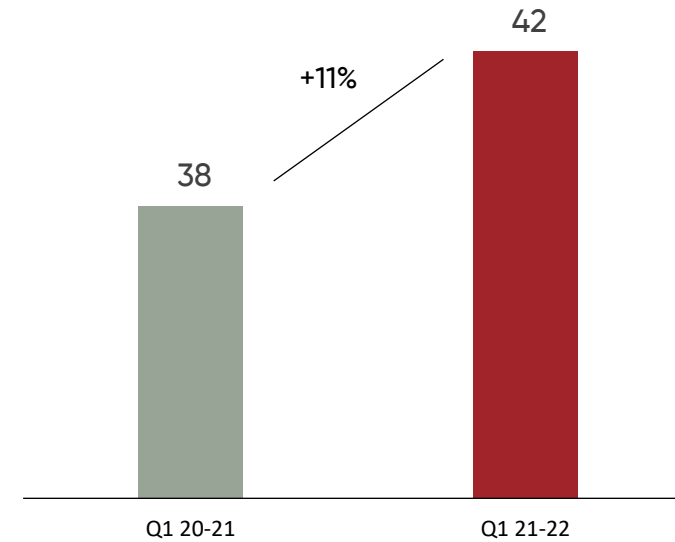
Customer segments are arrived at on a quarterly annualized basis
(quarter revenue multiplied by four)



Average revenue for > ₹10M customers is increasing

(₹ Million)

Average revenue per customer contributing >₹10 million is at ₹ 42 million for the quarter, up 11% from Q1 20-21



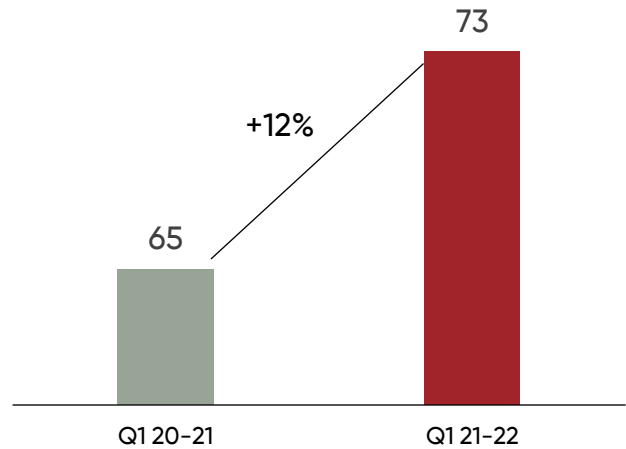
Customer segments are arrived at on a quarterly annualized basis (quarter revenue multiplied by four)



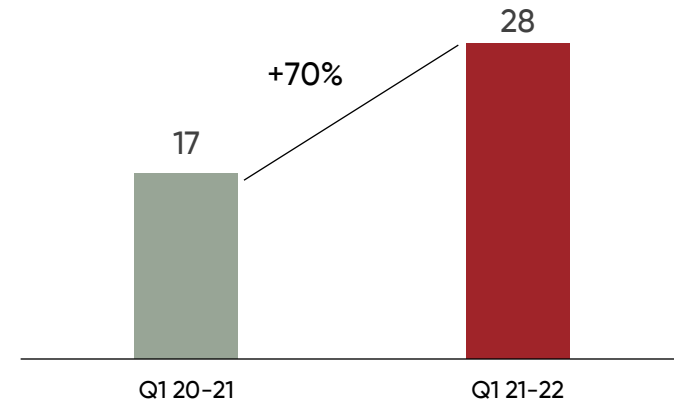
Continue to expand our customer base

(₹ Million)

In Q1 21-22, we added 73 new customers as against 65 additions in Q1 20-21



In Q1 21-22, revenue from new customers is ₹ 28 million as against ₹ 17 million in Q1 20-21

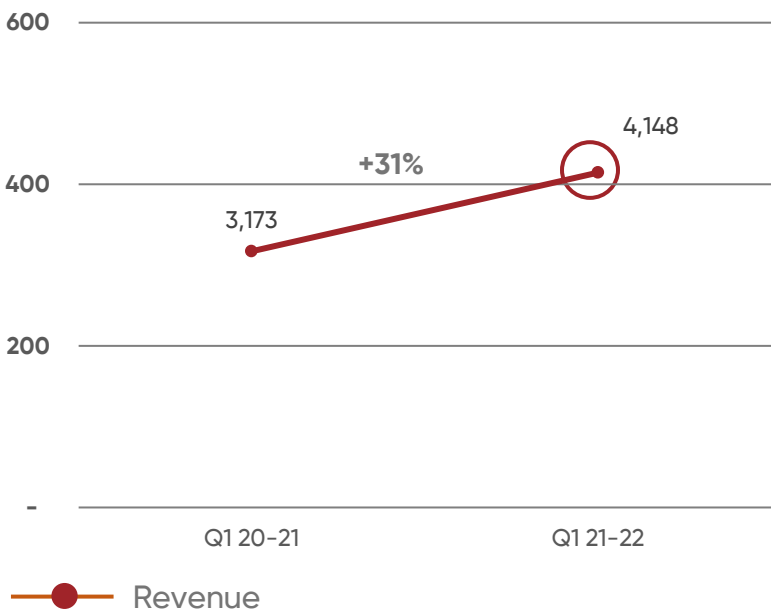


New customers include every unique new contracting entity added during the quarter

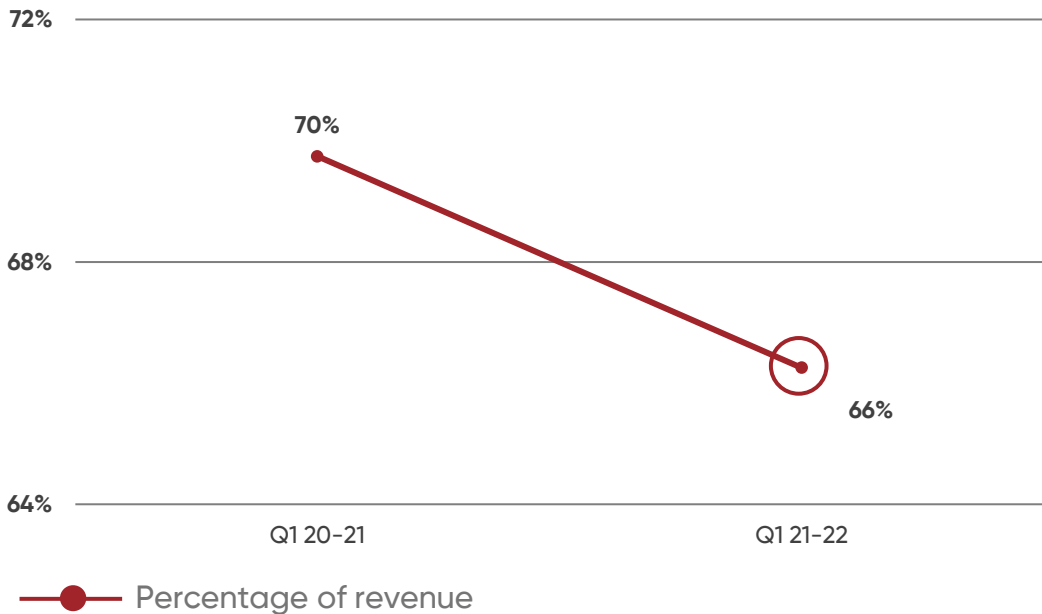


Reducing client concentration

Revenue from our top 20 customers is increasing



Customer concentration of our top 20 customers as a % of total revenue is decreasing



(₹ Million)

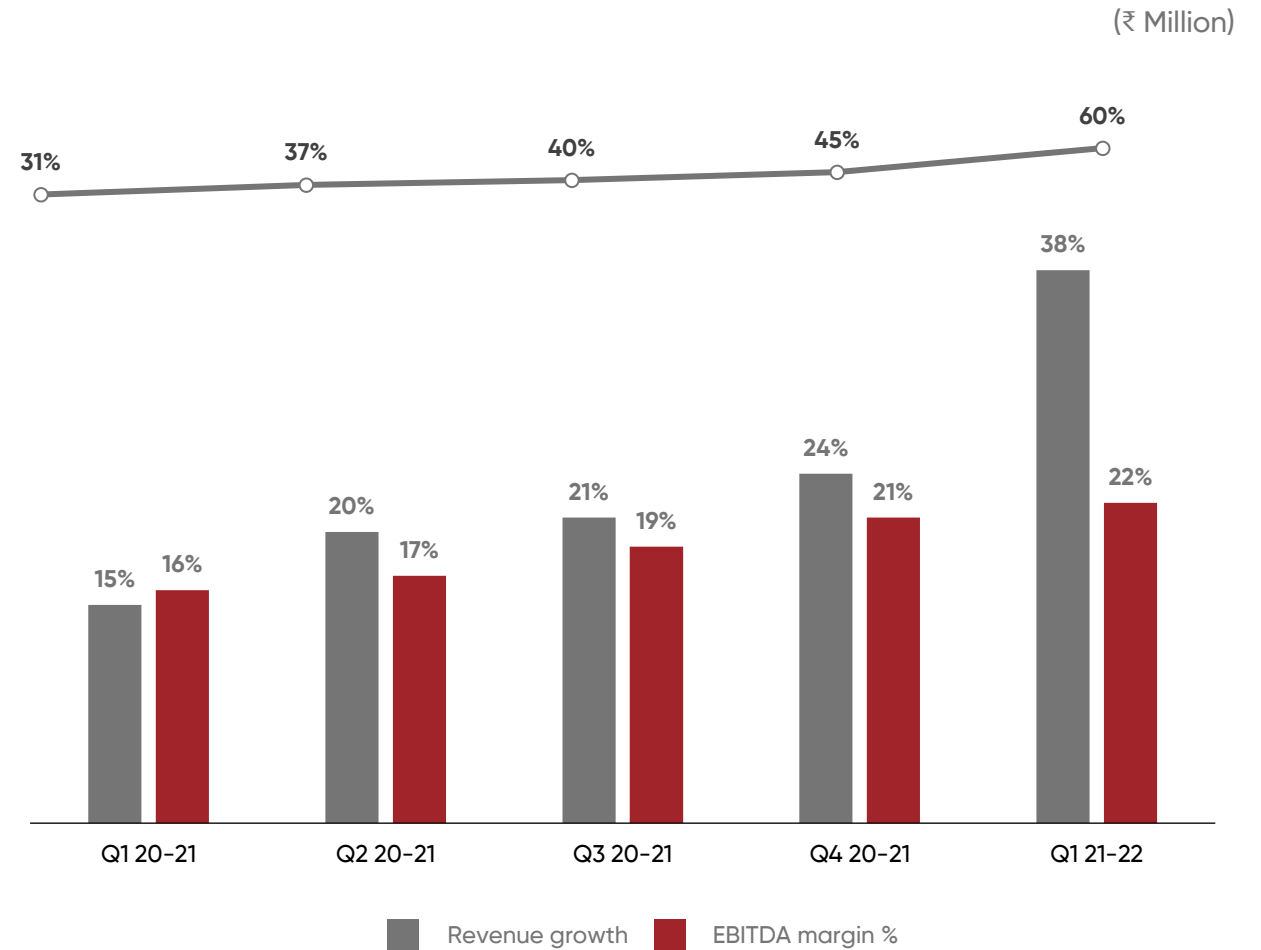


FINANCIAL UPDATE



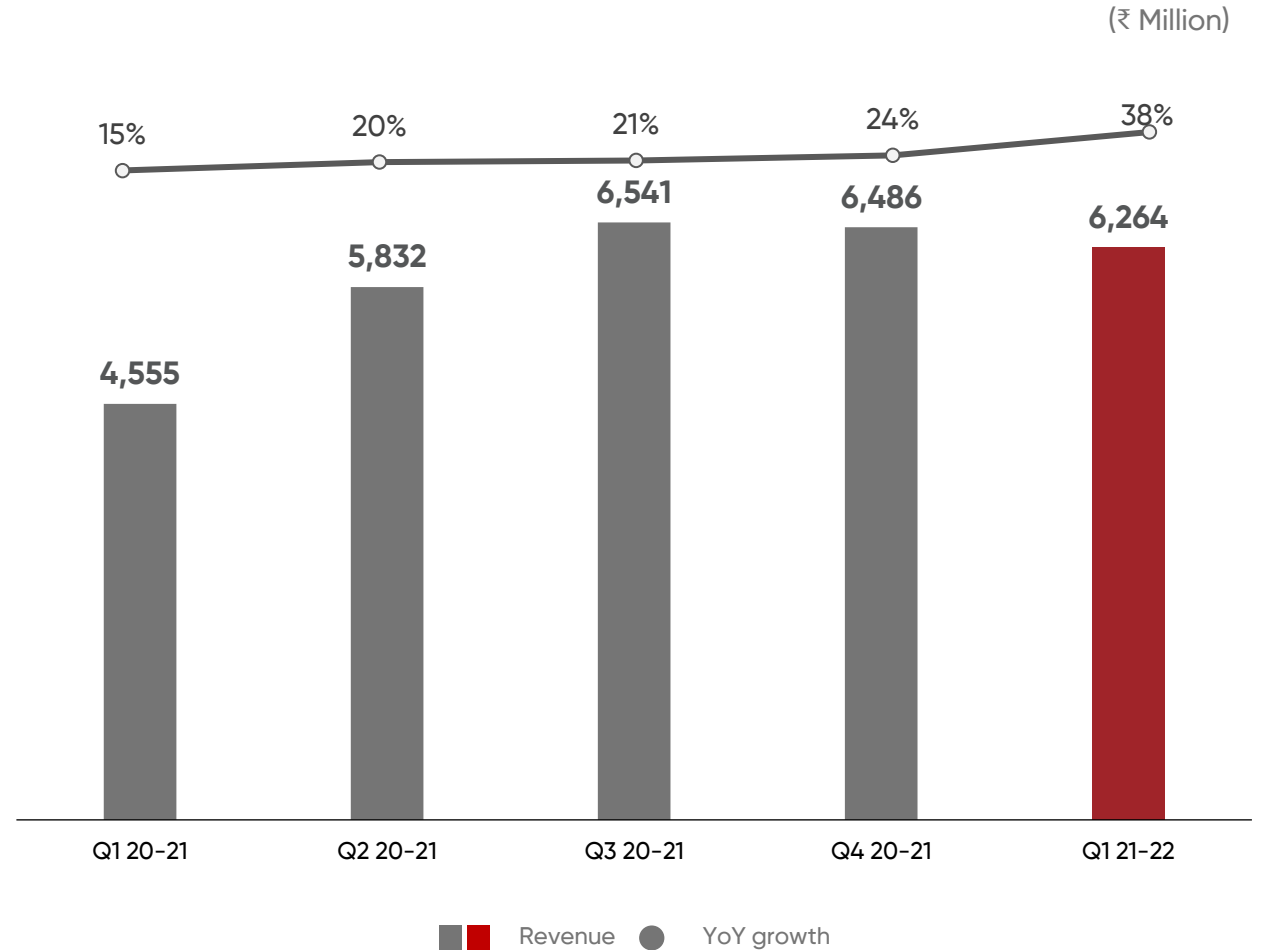
Operating above Rule of 40

- SaaS companies target to operate at Rule of 40 (revenue growth + EBITDA%)
- Operated at Rule of 40 in Q3 20-21 and moved to Rule of 60 in Q1 21-22 organically
- Innovation led strategy helping accelerate revenue growth as well as enhancing profitability



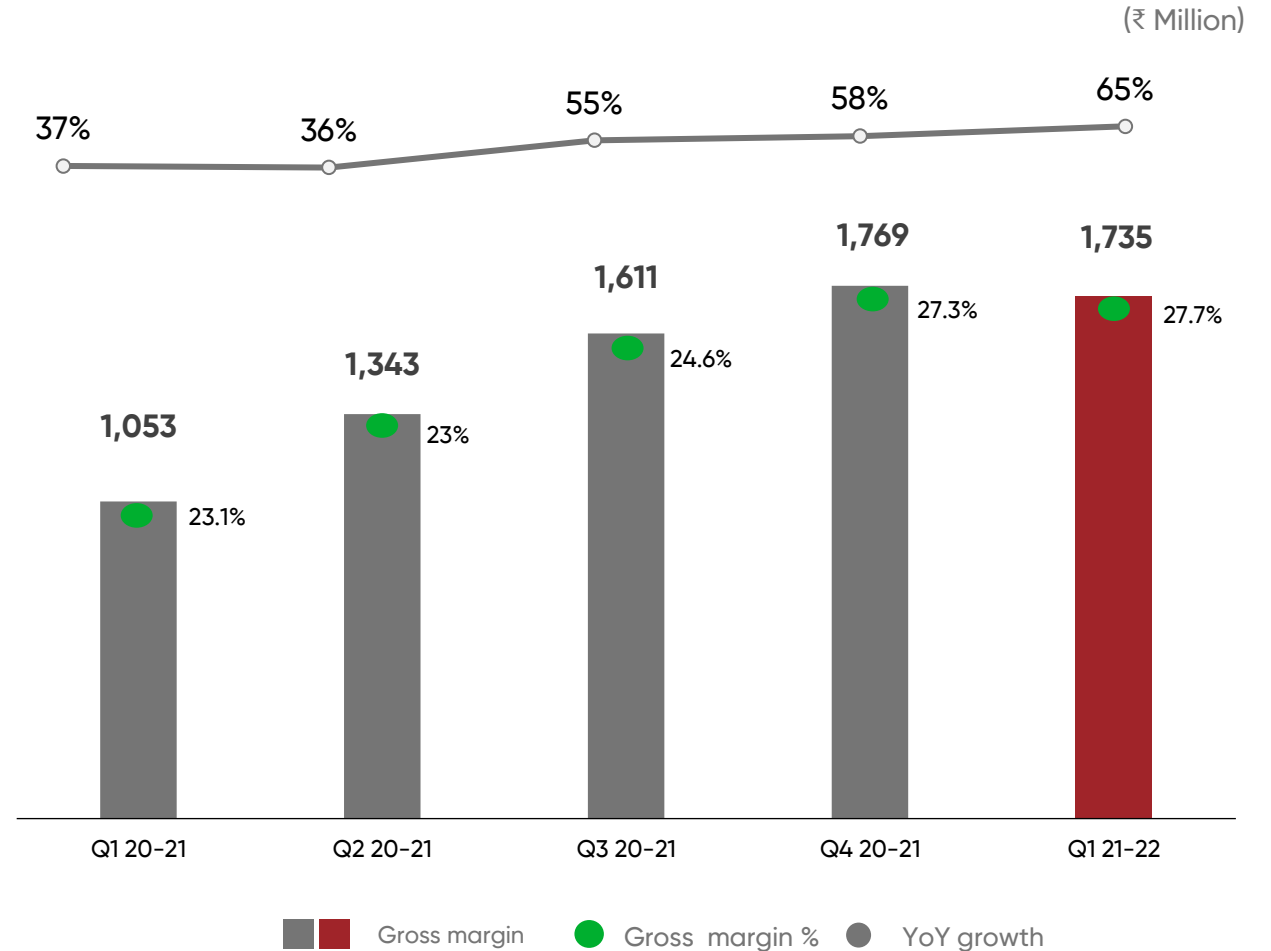
Accelerated revenue metrics reflecting industry leadership

- Improving growth trajectory every quarter over the past five quarters from 15% in Q1 20-21 to 38% in Q1 21-22
- Growth driven from one geography – India. Maintaining leadership in a competitive geography

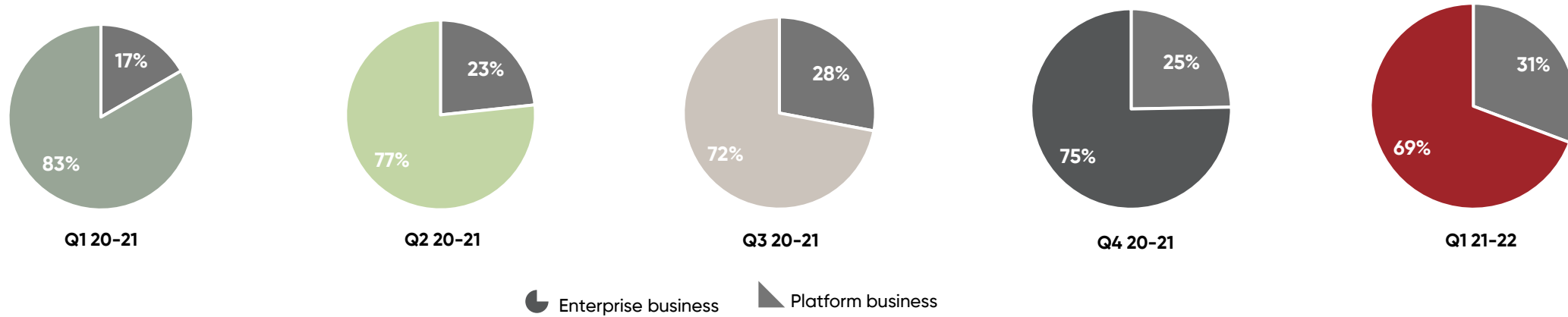


Gross Margin Development – at 27.7%

- Gross Margin growth at 65% YoY
- Gross margin has improved 460 bps YoY in Q1 21-22
- Platform business gross margin contribution to total at 31% in Q1 21-22 as against 17% in Q1 20-21
- Ability to operate at scale and handle large volumes increased gross margin



Gross margin profile shift towards platform



- Platform business gross margin at ₹ 533 million in Q1 21-22, up 204% from Q1 20-21
- Enterprise business gross margin at ₹ 1201 million in Q1 21-22, up 37% from Q1 20-21
- Platform business gross margin contribution to total at 31%, improved by 1400 bps YoY

Note:

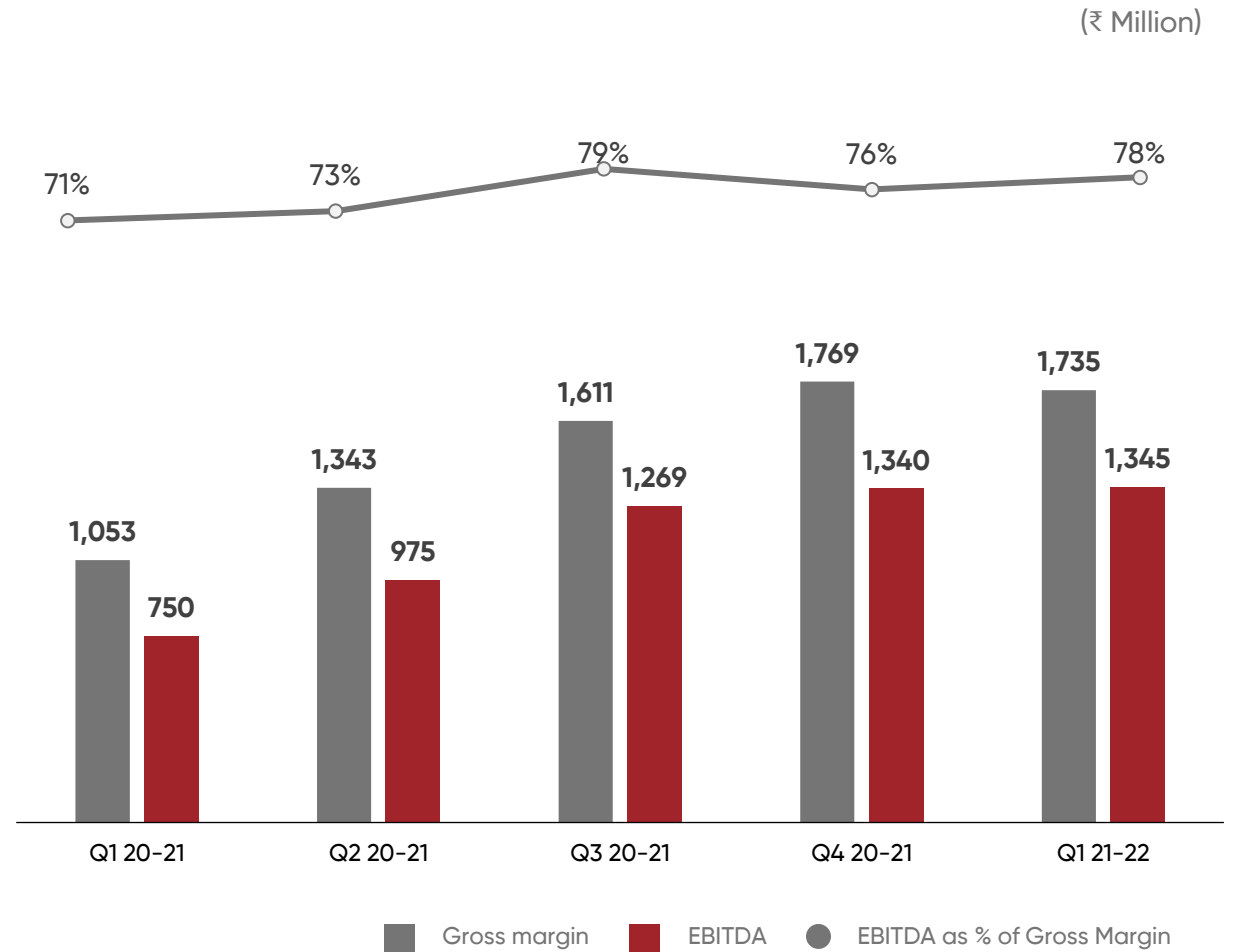
Platform business: Revenue from Platform as a service offering where revenue is earned from our IP (Platforms) and no cost of services is incurred

Enterprise business: Revenue from services where cost of services is incurred towards fee paid to Service Providers such as carriers and other network providers (*e.g. SendGrid*)



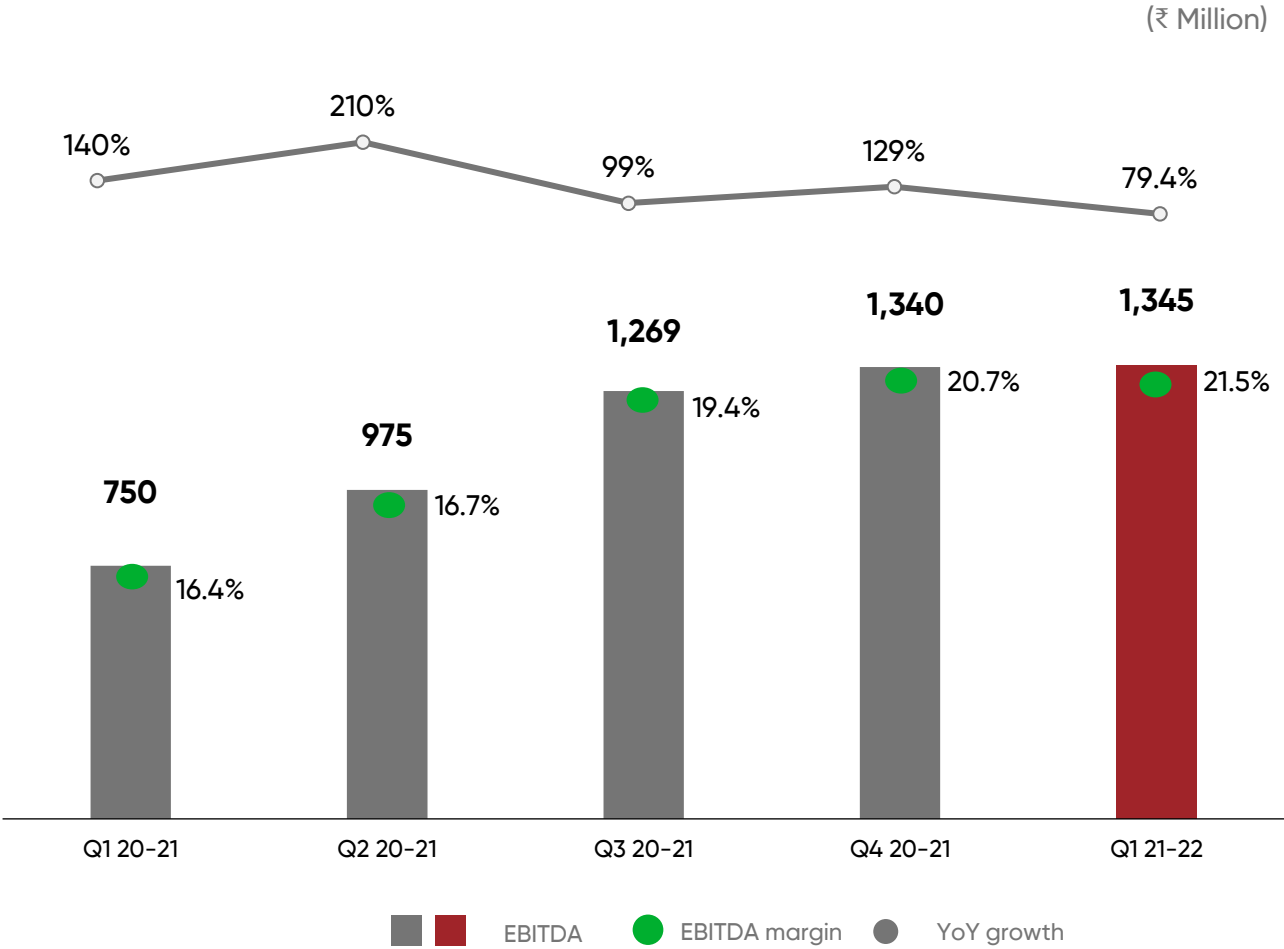
Increased conversion of Gross Margins into EBITDA

- Driving strong operating leverage on indirect cost- reduction of 630 bps YoY
- Employee cost at 15% of gross margin in Q1 21-22, as against 19% in Q1 20-21
- Other expense at 8% of gross margin in Q1 21-22, as against 10% in Q1 20-21



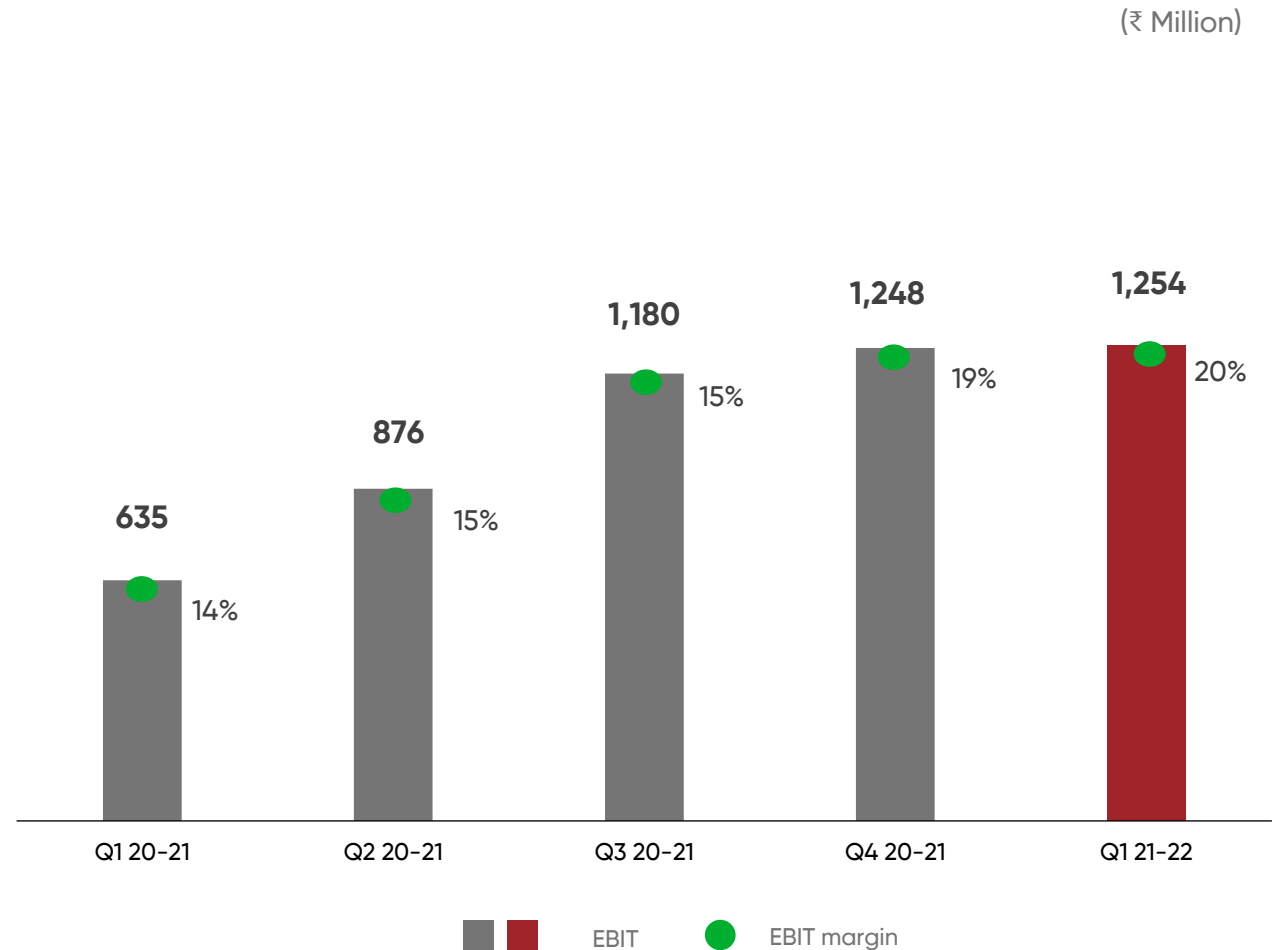
EBITDA levels at all time high

- EBITDA growth of 79% YoY



EBIT doubled in a year

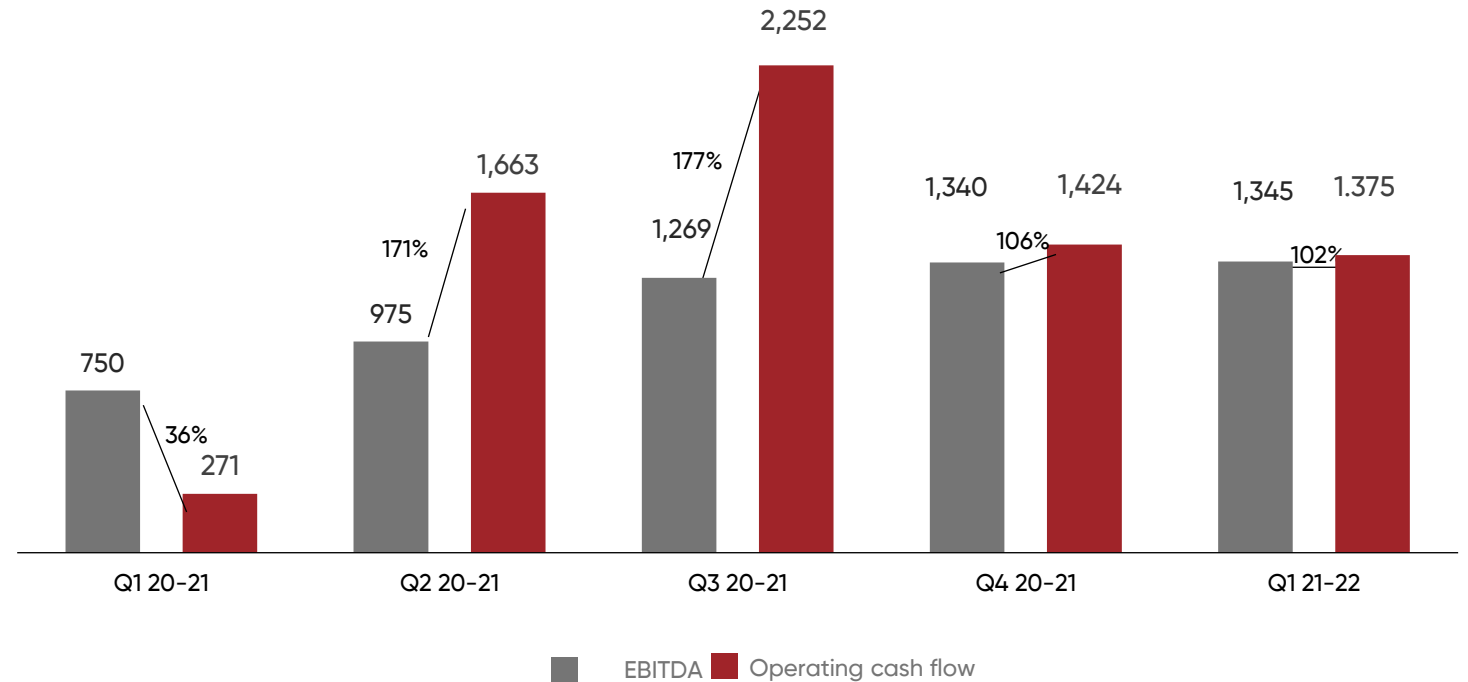
- EBIT has improved 610 bps YoY in Q1 21-22
- EBIT growth of 97% YoY
- Cloud focused strategy resulting in lower depreciation. Depreciation at ₹ 91 million in Q1 21-22, as against ₹ 115 million in Q1 20-21



100% + cash conversion for four quarters in a row

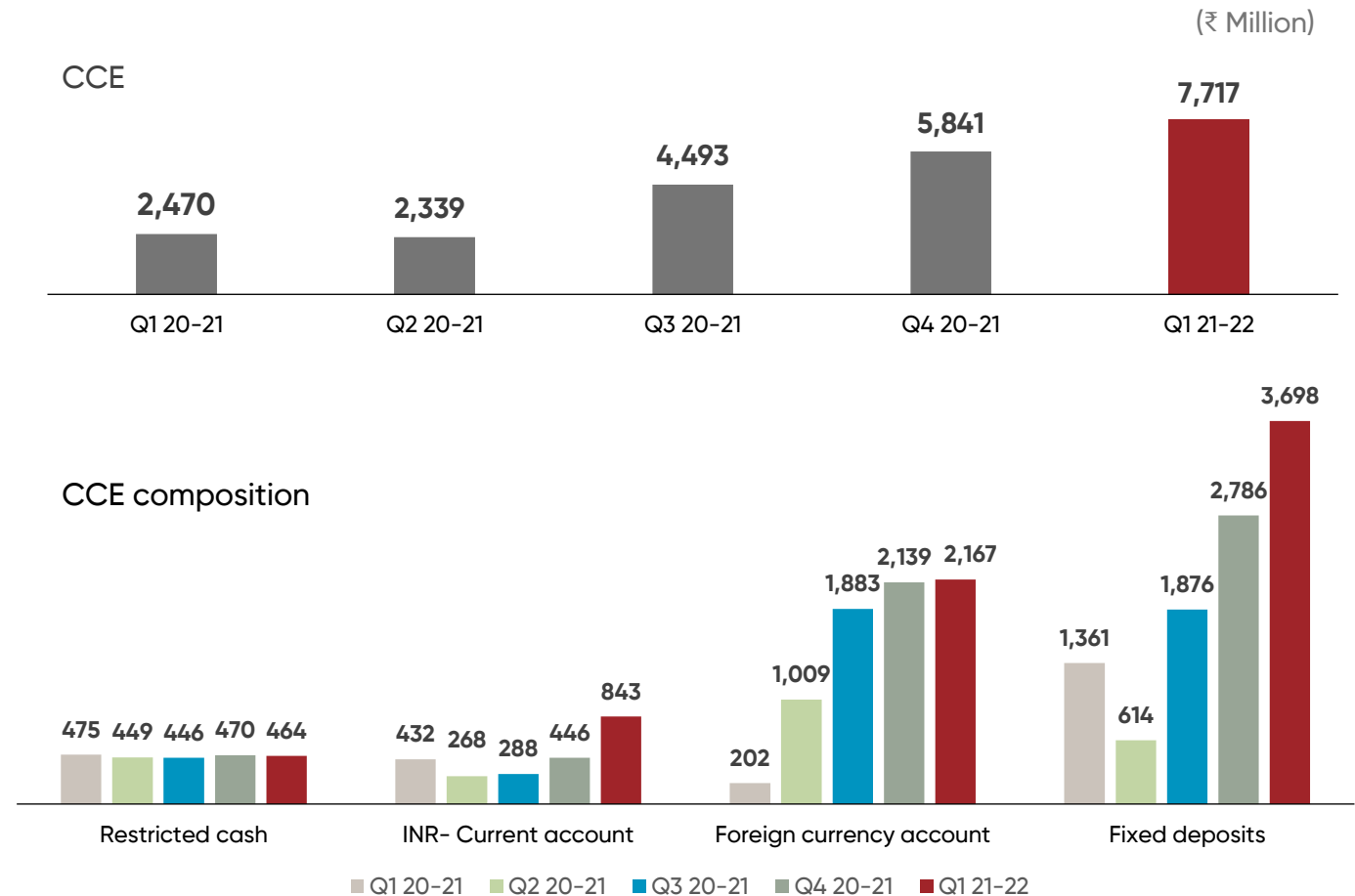
(₹ Million)

- Operating cash flow ₹ 1375 million in Q1 21-22, up 408% from Q1 20-21
- Cash conversion at 102% for Q1 21-22



Cash balance at all time high

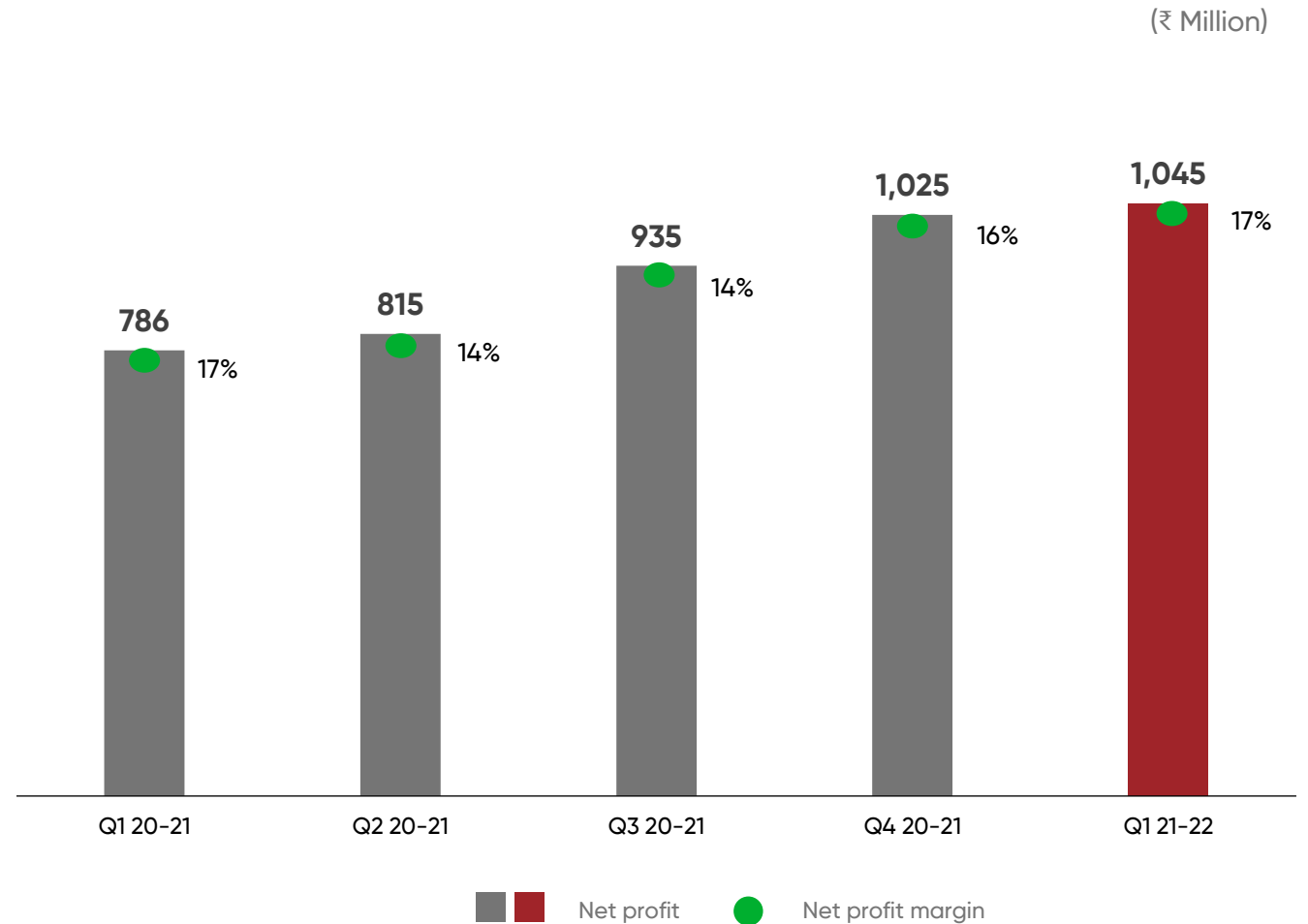
Cash & cash equivalents at ₹ 7,171 million in Q1 21-22 as against ₹ 2,470 million, up 190% from Q1 20-21



Restricted cash held as margin money for bank guarantees
Foreign currency balances are held with overseas subsidiary/branch

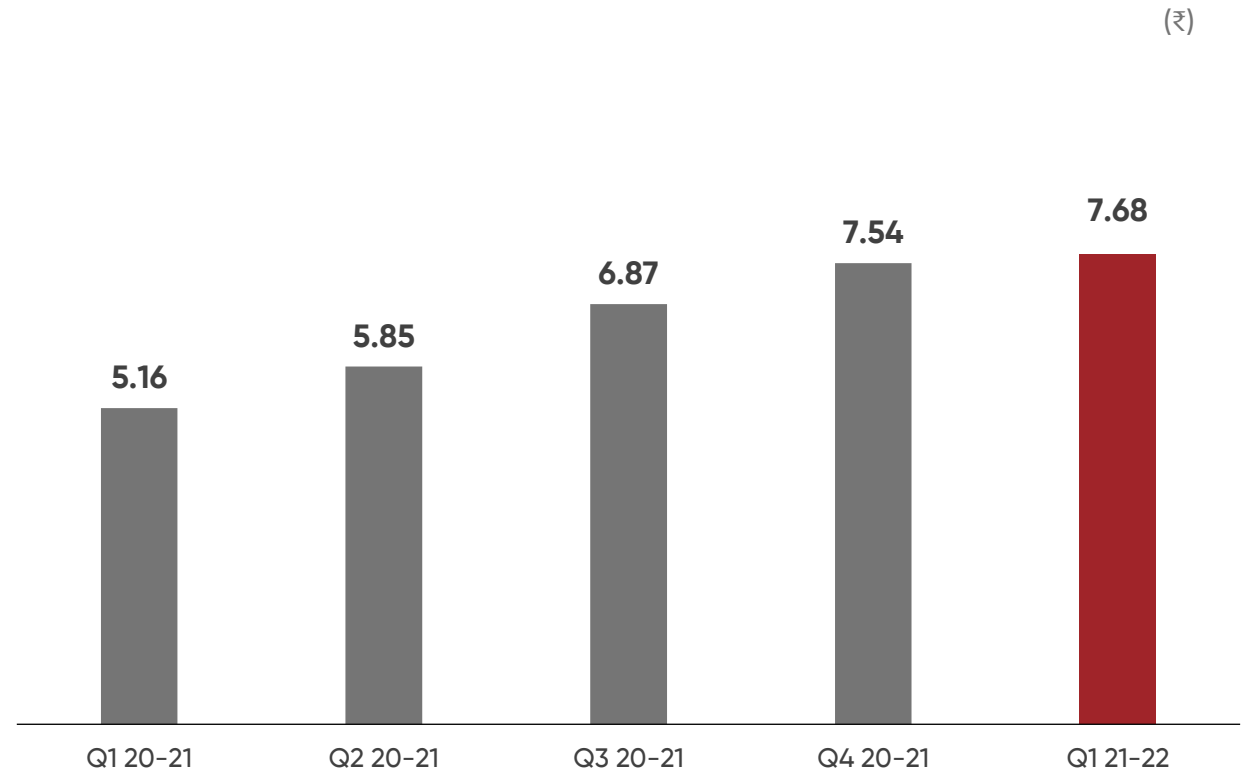
Net profit at all time high

- Second consecutive quarter of ₹ 1000 million+ Net profit
- Net profit at ₹ 1,045 million in Q1 21-22, up 33% from Q1 20-21



EPS at all time high

- Earnings per share at ₹ 7.68 in Q1 21-22, up 49% from Q1 20-21



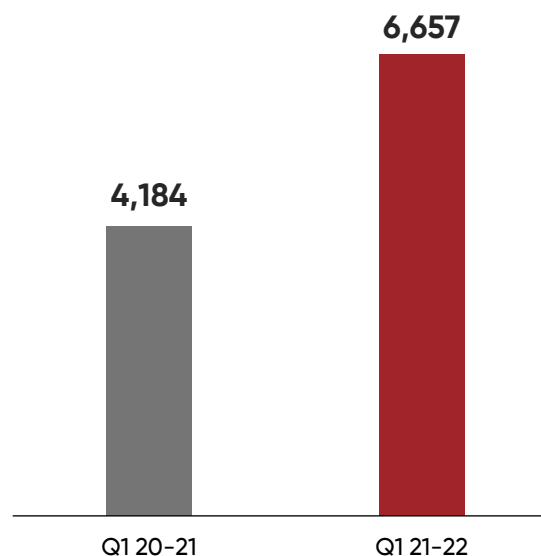
Efficient working capital management

(₹ Million)

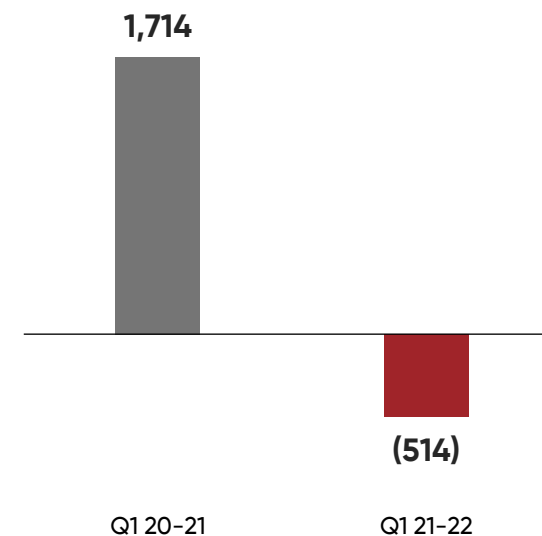
- Debtor days at 58 in Q1 21-22 as against 59 days in Q1 20-21
- Operating at negative working capital for two consecutive quarters

CCE- Cash & cash equivalents

Net working capital including CCE



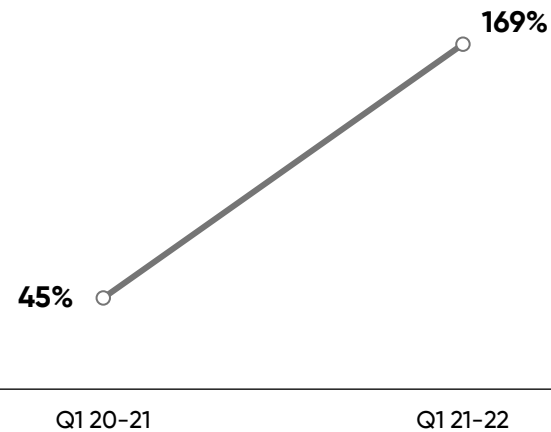
Net working capital excluding CCE



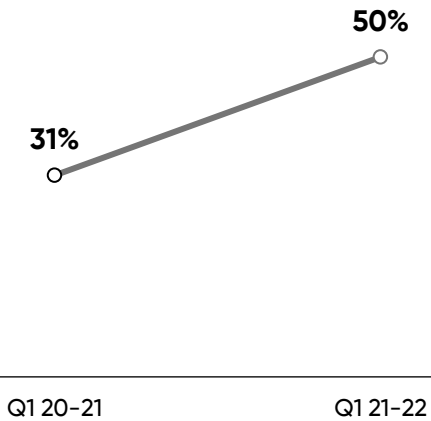
ROCE at 169%, all time high

- ROCE at 169% excluding cash
- Reflects cloud focused innovation led business model

ROCE (excluding CCE)



ROCE(including CCE)



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



Capital allocation of FY'20 & FY'21

₹ 3,885 Million

Karix and Gamooga acquisition

₹ 1,661 Million

Buy back of shares

₹ 692 Million

Capex largely on Trubloq & Wisely platforms

₹ 136 Million

Dividend

₹ 7,171 Million

Cash & cash equivalents



Capex includes spend for Q1 21-22 and CCE balance is as of Q1 21-22

Strong balance sheet

₹ 9,996 Million

Strong reserves & surplus

₹ 7,171 Million

Robust build up of cash & cash equivalents

169%

ROCE (excluding cash & cash equivalents)

Debt free

Asset lite

Net block of ₹ 1,278 Million



Environmental Social and Governance

ESG pillars	Environmental	Social	Governance
	Resource sustainability Creating resource efficiency for a greener and cleaner tomorrow	Equal opportunity Make work more equitable and rewarding for people	Integrity in conduct Governance risk and compliance integrated into our business model
Key focus areas	 Climate and energy  Focus on green cover	 Skill development  Diversity & Inclusion  Community development	 Transparency  Data security and privacy
Key initiatives	Net carbon neutral by 2025 Publish sustainability report Devised trees plantation project to deliver carbon sequestration of 2000 tCO2e by 2024	Selected meritorious students from government school for the implementation of digital education through ed-tech apps.	Continuous focus on governance, disclosure and transparency Alignment of corporate values and business goals



**The world's leading
brands trust Tanla**

Appendix



Profit and Loss account: First Quarter 21-22

In millions, unless otherwise stated	Q1 20-21	Q1 21-22	Δ %
Revenue from operations	4,555	6,264	38
Cost of Services	(3,502)	(4,529)	29
Gross Margin	1,053	1,735	65
Operating expenses	(303)	(389)	28
EBITDA	750	1,345	79
Depreciation & amortization	(115)	(91)	(20)
EBIT	635	1,254	97
Finance cost	(7)	(2)	(77)
Other income	132	43	(67)
Profit before taxes	760	1,295	70
Tax expense (including deferred tax)	(26)	(250)	-
Net profit	786	1,045	33
Earning per share (INR)	5.16	7.68	49
Weighted average shares outstanding	152	136	-

Free cash flow up 414% YoY

In millions, unless otherwise stated	Q1 20-21	Q1 21-22	Δ %
Operating cash flow	271	1,375	+408%
Capital expenditure	(21)	(91)	+339%
Free cash flow	250	1,284	+414%
Free cash flow in percent of total revenue	5%	20%	+1501bps
Free cash flow conversion rate	33%	95%	+6215bps

Key metrics: First quarter 21-22

Gross Margin

+460bps

27.7%

Q1 20-21 Q1 21-22

EBITDA

+501 bps

21.5%

Q1 20-21 Q1 21-22

PAT

-60bps

17%

Q1 20-21 Q1 21-22

EBITDA to cash
conversion

+6610 bps

102%

Q1 20-21 Q1 21-22

Gross margin to
EBITDA conversion

+630 bps

78%

Q1 20-21 Q1 21-22

ROCE

+12500 bps

169%

Q1 20-21 Q1 21-22



