

Investor Presentation

May 2021



TATA COMMUNICATIONS

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Business overview

TATA COMMUNICATIONS

We are Tata Communications

A digital ecosystem enabler, part of India's multibillion-dollar conglomerate, the prestigious Tata Group.

We enable the digital transformation of enterprises, globally - unlocking opportunities for businesses by enabling borderless growth, boosting product innovation and customer experience, improving productivity and efficiency, embedding agility and managing risk. Both today and in the future.

With a customer solution orientated approach, proven managed service capabilities and cutting-edge infrastructure, we drive the next level of intelligence powered by cloud, mobility, IoT, collaboration, security and network services.

12,000+
employees
worldwide

200+
countries
of operation

50+
entities across
the globe

37+
diverse
nationalities

~7,000+
customers (including
300 of the Fortune 500)

Top
percentile
of NPS®

Providing connectivity to the world

30%

Global internet routes
carried by us

#1

Enterprise data and
colocation services in India

60%

Cloud giants are connected to
their businesses through us

4 of 5

Global mobile subscribers
connected through our
network

Leader

In Gartner's Magic Quadrant
for Network Services (Global)
2020 - 7 years in a row

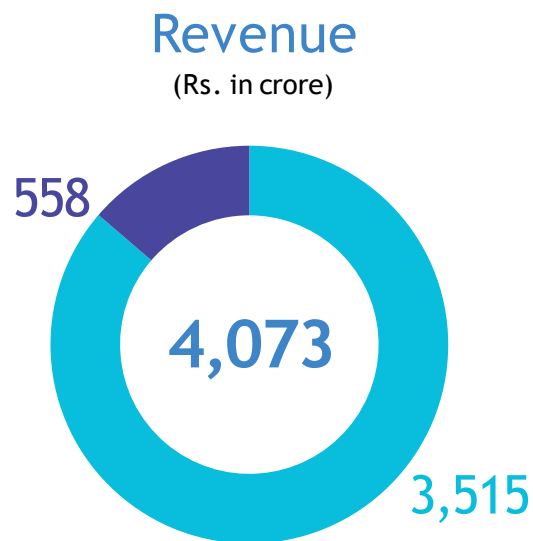
#1

Wholesale voice provider
submarine cable owner on-net
mobile signaling (globally)

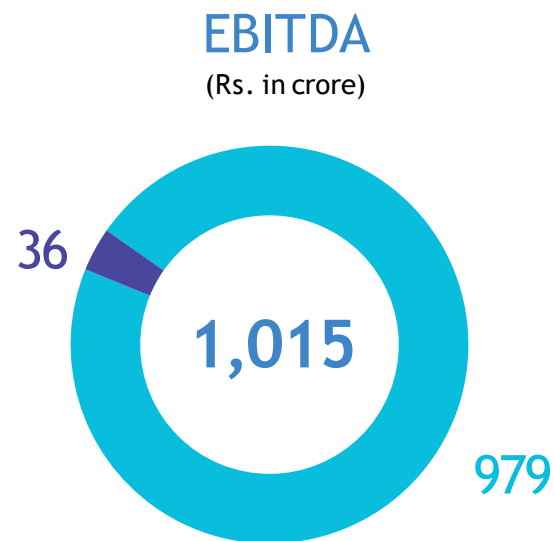
Key Performance Indicators

Numbers that matter

Our voice business continues to be strong, and our data business remains instrumental to our overall revenue. As we grow scale, we are confident of an upward momentum in our profit trajectory in the coming quarters.



■ Data ■ Voice



Rs. 299 crores

PAT

Rs. 392 crores

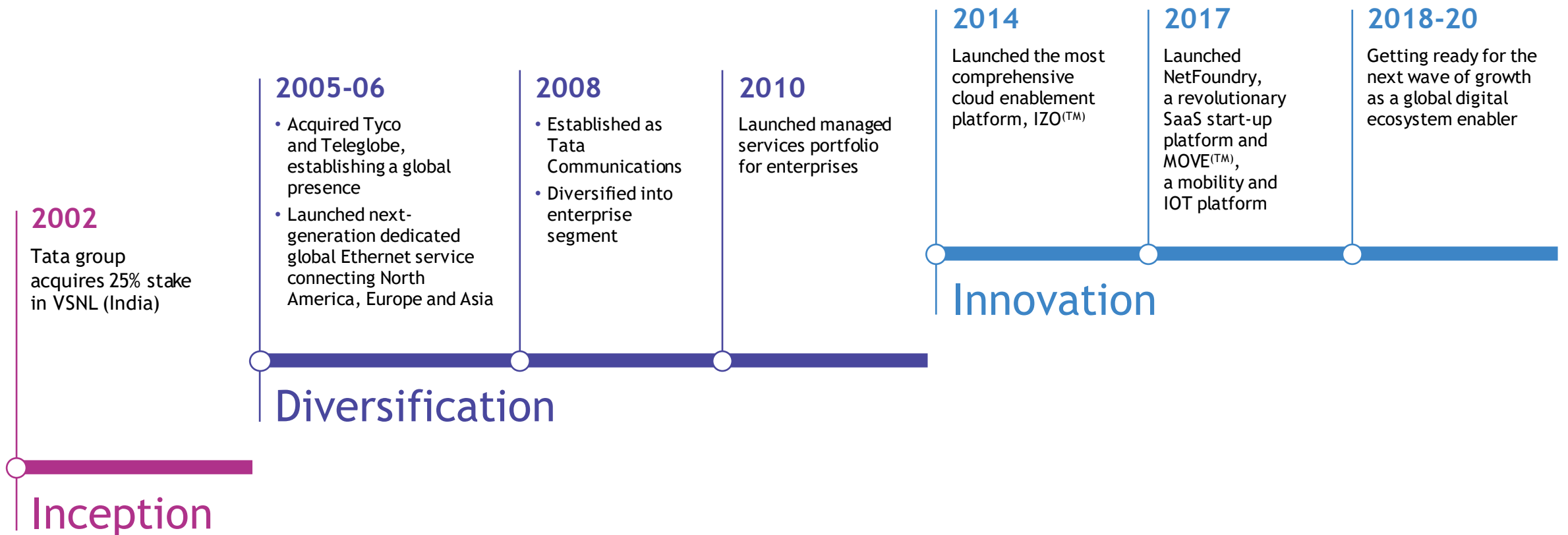
CAPEX

1.8 times

Net debt/EBITDA

Our evolution

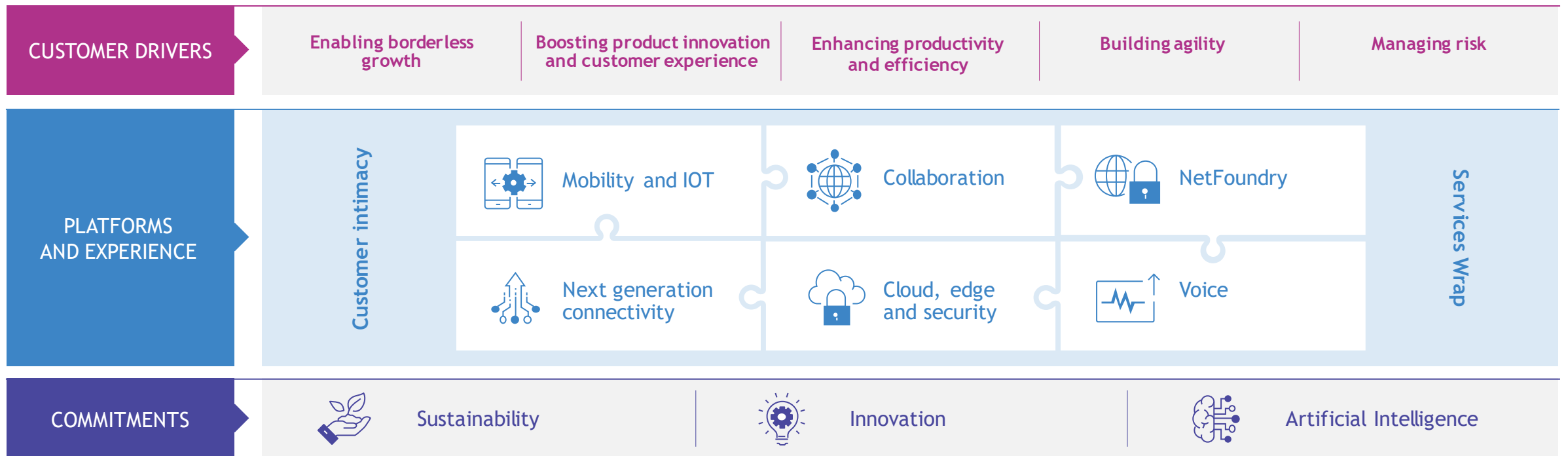
Transformation is in our DNA



What, why and how Tata Communications at a glance

Why we exist

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



How we do it

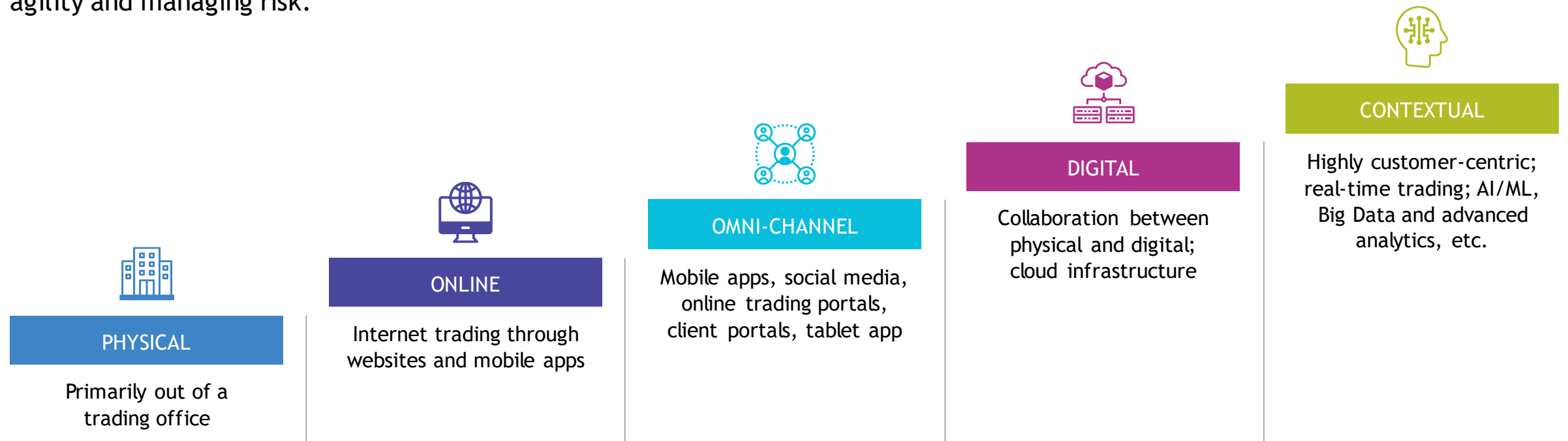
Our DRIVE culture

Daring | Responsive | Inclusivity | Venturing | Ethical

What we do

Providing solutions for every stage of digital maturity

Helping customers unlock opportunities through digital transformation - enabling borderless growth, boosting product innovation and customer experience, improving productivity and efficiency, building agility and managing risk.



Our customers

We cater to multiple industries



AUTOMOTIVE



MEDIA &
ENTERTAINMENT



SPORTS



MANUFACTURING



PHARMACEUTICAL



INSURANCE



HEALTHCARE



TELECOM



BANKING



CONSTRUCTION



SERVICES



FINANCE



ENERGY



RETAIL



IT/ITES



CONSULTING



REAL ESTATE



E-LEARNING



E-COMMERCE



GOVERNMENT

Our customers

Representing some of the biggest brands



HCL

Petrofac 



Official Global
Connectivity
Supplier



FEDERAL BANK
YOUR PERFECT BANKING PARTNER

BR  ADCAST
RENTAL



Hewlett Packard
Enterprise



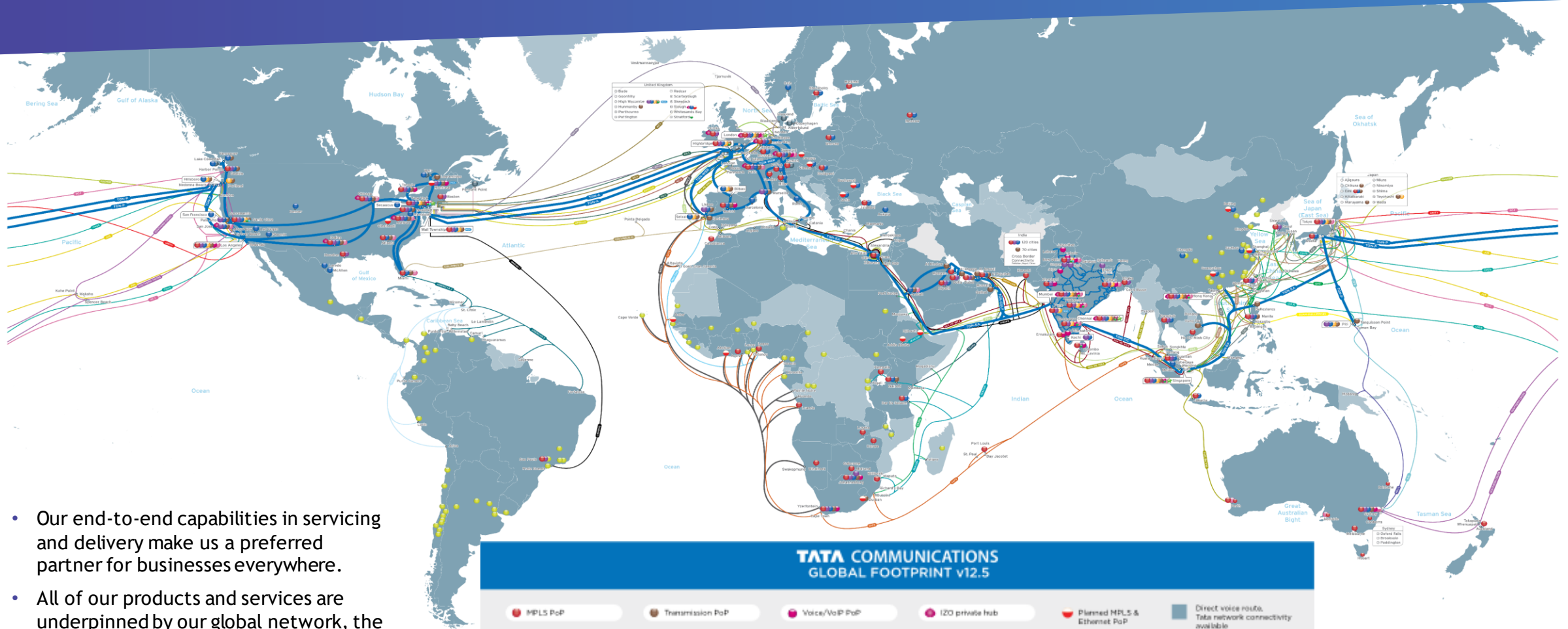
Indiabulls

TATA TECHNOLOGIES



How we do it

Our globally local digital infrastructure



- Our end-to-end capabilities in servicing and delivery make us a preferred partner for businesses everywhere.
- All of our products and services are underpinned by our global network, the largest world's largest wholly-owned subsea fibre backbone and a Tier-1 IP network.

How we do it

Our DRIVE culture

We view our success as a result of the unstinting commitment of our people and their efforts.

Our greatest asset? Our people.

Can-do attitude	Collaboration	Continuous learning	Innovation
Mindset for growth and agility	Ownership and accountability	Problem solving	Skills transformation

90%

Learning via digital mode in Tata Communications Learning Academy

5,300+

Certifications completed by employees with minimum 16 hours of effort

Our people reflect our ethos

1,64,000

Lives impacted by our employees, through 59,184 volunteering hours as part of our CSR initiatives

Certified as a Great Place to Work by Great Place to Work Institute (India, Hong Kong, Canada and USA)

- 'Best Workplaces in Asia' for the year 2019 (Hong Kong)
- 2019 Best Employer in India by Aon
- Best Companies for Women in India - Working Mother and Avtar
- Best Workplaces for Women by Great Place to Work Institute (India and Canada)

How we do it

Our commitments



Sustainability

We strive to make a positive, tangible impact on the environment and wider society through our actions, and through our products & services for our customers.



Innovation

We continue to innovate to stay relevant for our customers as a long-term partner in their digital transformation journeys.



Artificial Intelligence

We are bringing enhanced focus on leveraging the power of AI and ML technologies and embedding a framework to make AI an integral part of our capability and offerings.



Strategic overview

TATA COMMUNICATIONS

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

11.5%

Growth of global managed services between 2018 and 2023

(Source: [Mordor Intelligence](#))

Enterprise mobility

6 billion

Mobile subscriptions by 2025

(Source: [GSMA Intelligence](#))

Internet of Things (IoT)

79.4 ZB

Data will be generated globally, by 41.6 billion IoT devices by 2025

(Source: [IDC](#))

Cloud computing

28%

Of the IT spending will shift to the cloud by 2022, affecting US\$1.3 trillion

(Source: [Gartner](#))

Hybrid SDN

60%

Of enterprises will have implemented SD-WAN by 2023

(Source: [Gartner](#))

Cybersecurity awareness

41.2%

Growth in spending on cloud security over the next 5 years

(Source: [Gartner](#))

Artificial Intelligence (AI)

37%

of organizations adopted AI in some form in 2019

(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.



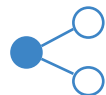
MOBILITY & IoT



COLLABORATION



**NEXT GENERATION
CONNECTIVITY**



**CLOUD, EDGE &
SECURITY**



VOICE



NETFOUNDRY

Available Market 2023

Mobility & IoT	
CAGR	+3.9%
2022	\$243Bn
2019	\$217Bn

Collaboration	
CAGR	+12.2%
2022	\$35Bn
2019	\$25Bn

Voice	
CAGR	(6.6)%
2022	\$8Bn
2019	\$7Bn

NetFoundry	
CAGR	+25.5%
2022	\$109Bn
2019	\$55Bn

Next Generation Connectivity	
CAGR	+0.2%
2022	\$145Bn
2019	\$145Bn

Cloud, Edge & Security	
CAGR	+12.0%
2022	\$224Bn
2019	\$159Bn

What helps us turn opportunities into a reality

Our own agility in adopting digitally transformative technologies in order to provide the same to our customers is the key to our consistent business growth.



Prudent foresight

Our ability to anticipate change and transform to meet and exceed the expectations of the business and the industry has paved the way for sustained growth.



Customer centricity

We help our customers make the most of the latest digital innovations and be agile, flexible and responsive.



Skilled, engaged teams

We believe it is critical for employees to continuously learn and re-educate themselves; and we provide the right platforms for employees to be able to do so.



Continuous innovation

Technology is constantly evolving; thus, we need to constantly challenge ourselves and innovate to invest in our future.

Recognised for excellence

We're positioned as a Leader in the 2021 Gartner Magic Quadrant for Network Services, Global - 8 years in a row



Analyst take on Tata Communications

- Tata Communications' IZO internet WAN offer provides an enhanced internet service with end-to-end SLAs based on the backbone of Tata, combined with access from local ISP partners in more than **125 countries**.
- Tata Communications has strong coverage of the APAC region, Africa and the Middle East, combined with good coverage in Europe.
- Tata is working with its NetFoundry subsidiary to develop an application-aware, secure, zero-trust WAN offer.

Industry accolades Recognised for excellence



APAC Top 10 IoT Solution
Companies 2019



- Most Innovative IoT Project
- Most Innovative Telecom Project



Leader in IDC Asia/pacific:
communications SP SD-WAN
managed services 2020



Great Place to Work-Certified™ from April 2020 -
March 2021. Certified for 4 years in a row!

FROST & SULLIVAN

Enterprise Telecom service provider
Company of the Year - Large
Enterprise Segment

Enterprise Data Service Provider
Company of the Year

Managed Multi Cloud Service
Provider Company of the Year

SDWAN Service Provider Company of
the Year

Unified Communications Service
Provider Company of the Year

Managed Security Service Provider
Telecom Company of the Year

Cloud Interconnect Service
Provider Company of the Year

Video Managed Service Provider
Company of the Year



Our key stakeholders



TATA COMMUNICATIONS

Our shareholders

Maximising long-term intrinsic value

The sustained trust and confidence of our shareholders enable us to remain focused on achieving our strategic objectives and maximising long-term returns.



Drive capital efficiency

- Recalibrate investments
- Co-create with partners
- Inculcate strong discipline and governance around capital allocation and expenditure



Improve margin profile

- Improve operating efficiency and drive operating leverage
- Accelerate growth in high margin data segment and new services



Invest for long-term growth

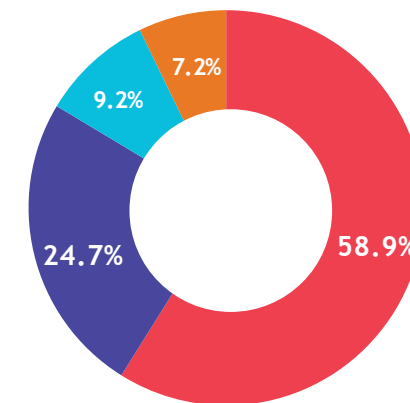
- Reshape portfolio
- Invest in new services/ innovation to differentiate and accelerate growth



Create strategic flexibility

- Generate free cash flow and deleverage balance sheet
- Pursue opportunities to unlock intrinsic value
- Rationalise businesses with sub-par return profiles

Shareholding pattern as of 31 March 2021



■ TATA Sons
■ Foreign Institutions
■ Domestic Institutions
■ Non-institutional

Sustainability and CSR

ENABLING SUSTAINABILITY AS KEY DRIVER FOR BUSINESS INNOVATION & GROWTH

- We are uniquely positioned to deliver the digital future now while doing good for **People**, the **Planet** and **Communities**
- Our goal is to make a positive, tangible impact on the environment and society through our actions and through our products and services for our customers



People

Zero Since last 3 years
FATAL/MAJOR INCIDENTS

MULTIPLE BEST EMPLOYER RECOGNITIONS

32.7% mix for new hires
DIVERSITY increased from 19% (FY14)

5,300+ CERTIFICATIONS
COMPLETED BY EMPLOYEES with minimum 16 hours
of effort



Planet

9 lakh Focused solutions (IoT, Mobility,
UNITS OF ENERGY MOVE, Cloud and UCC) for
CONSERVATION GLOBALLY customers leading to cost saving,
business optimisation, avoidance
of travel, automation etc.

~ 15 Million UNITS' Renewable energy sourced

49% increase In water recycling as compared to
FY20



Community

2,19,166 62% women and girls
LIVES IMPACTED 62% - affirmative action
communities

16 Presence across 9 states in India
LONG-TERM PROJECTS International presence -
Singapore

59,194 Contributed by 11,030
VOLUNTEERING HOURS volunteers to reach 50,000 lives



Performance overview

TATA COMMUNICATIONS

Key financials (Quarterly)

Revenue | EBITDA | FCF

REVENUE*

Quarter	Data	Voice	Consol
Q4 FY 21	3,515	558	4,073
Q3 FY 21	3,549	674	4,223
Q4 FY 20	3,595	803	4,398

EBITDA*

Quarter	Data	Voice	Consol
Q4 FY 21	979	36	1,015
Q3 FY 21	1,026	20	1,046
Q4 FY 20	823	46	869

FCF*

Quarter	Data	Voice	Consol
Q4 FY 21	646	33	623
Q3 FY 21	741	18	707
Q4 FY 20	579	45	526

*All figures in Rs. crore

- Consolidated revenues declined 7.4% YoY, due to decline in Voice business and slower growth in Data Business due to longer deal conversion cycle, on account of COVID.
- EBITDA grew 16.8% YoY with a margin of 24.9% which expanded by 516 BPs YoY on the back of strong operational efficiencies in the Data business
- Profit for the quarter was INR 299 crore as compared to a loss of INR (275) crore in the last year. This profit is on the back of strong EBITDA performance.

■ Data ■ Voice ■ Consol

Revenue Growth %	QoQ	YoY
Data	↓ (0.9%)	↓ (2.2%)
Voice	↓ (17.2%)	↓ (30.5%)
Consol	↓ (3.5%)	↓ (7.4%)

EBITDA Growth %	QoQ	YoY
Data	↓ (4.6%)	↑ 19.0%
Voice	↑ 82.3%	↓ (21.8%)
Consol	↓ (3.0%)	↑ 16.8%

FCF Growth %	QoQ	YoY
Data	↓ (12.8%)	↑ 11.6%
Voice	↑ 76.6%	↓ (27.4%)
Consol	↓ (11.9%)	↑ 18.3%

Key financials (Annual)

Revenue | EBITDA | FCF

REVENUE*

	Data	Voice	Consol
FY 21	14,309	2,791	17,100
FY 20	13,692	3,376	17,068
FY 19	12,655	3,870	16,525

EBITDA*

	Data	Voice	Consol
FY 21	4,088	172	4,261
FY 20	3,026	263	3,289
FY 19	2,409	336	2,745

FCF*

	Data	Voice	Consol
FY 21	2,879	150	2,840
FY 20	1,742	252	1,693
FY 19	820	331	881

- Consistent strong growth in Data Business despite industry challenges
- Data business growth is compensating for the decline in Voice business
- Voice business is declining in-line with industry and technology trends
- Shift towards more profitable data business leading to EBITDA growth and margin expansion
- Voice business continues to generate healthy cash flow despite decline in revenue
- The Net Income of INR 1,251 Crs for the year translated into an EPS of INR 44/share and contributed to the Net worth turning positive this quarter.

■ Data ■ Voice ■ Consol

Revenue Growth %	FY 19	FY 20	FY 21
Data	↑ 10.4%	↑ 8.2%	↑ 4.5%
Voice	↓ (27.1%)	↓ (12.8%)	↓ (17.3%)
Consol	↓ (1.5%)	↑ 3.3%	↑ 0.2%

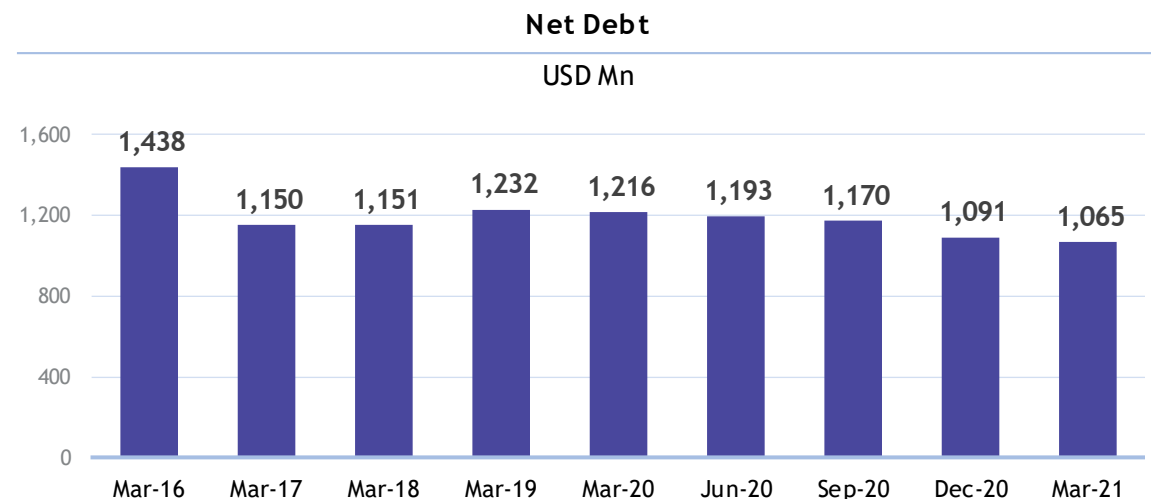
EBITDA Growth %	FY 19	FY 20	FY 21
Data	↑ 16.6%	↑ 25.6%	↑ 35.1%
Voice	↓ (3.1%)	↓ (21.6%)	↓ (34.6%)
Consol	↑ 13.8%	↑ 19.8%	↑ 29.5%

FCF Growth %	FY 19	FY 20	FY 21
Data	↓ (7%)	↑ 112.4%	↑ 65.2%
Voice	↓ (2.1%)	↓ (23.8%)	↓ (40.6%)
Consol	↓ (1.9%)	↑ 92.3%	↑ 67.7%

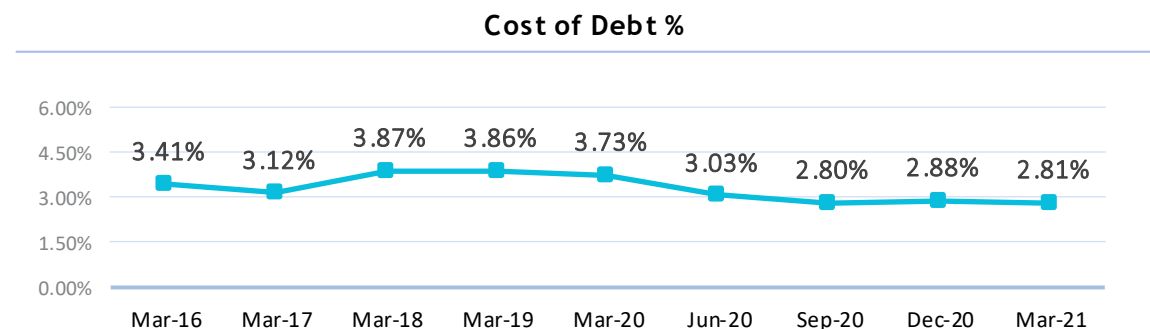
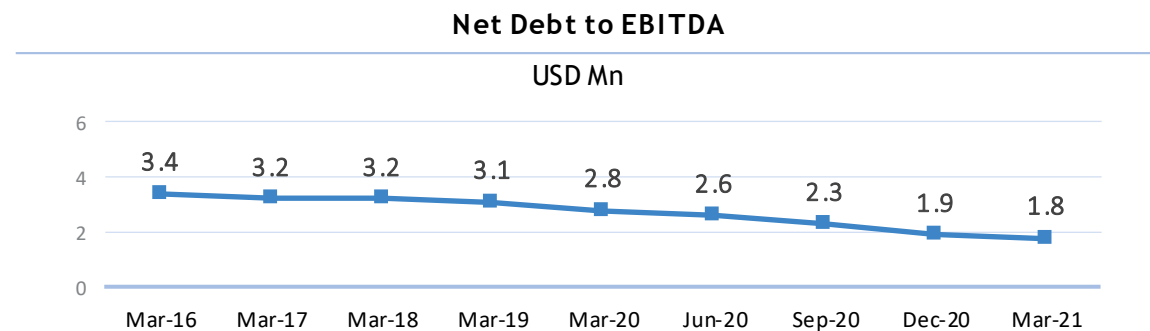
*All figures in Rs. crore

Key financials (Annual)

Performance Highlights | Net DEBT



- Net debt was at USD 1,065 Mn, a decrease of USD (26) Mn over last quarter, aided by strong operating cashflows.
- Average cost of borrowing for Q4 was 2.81%, a decrease of 7 BPS over Q3 FY21

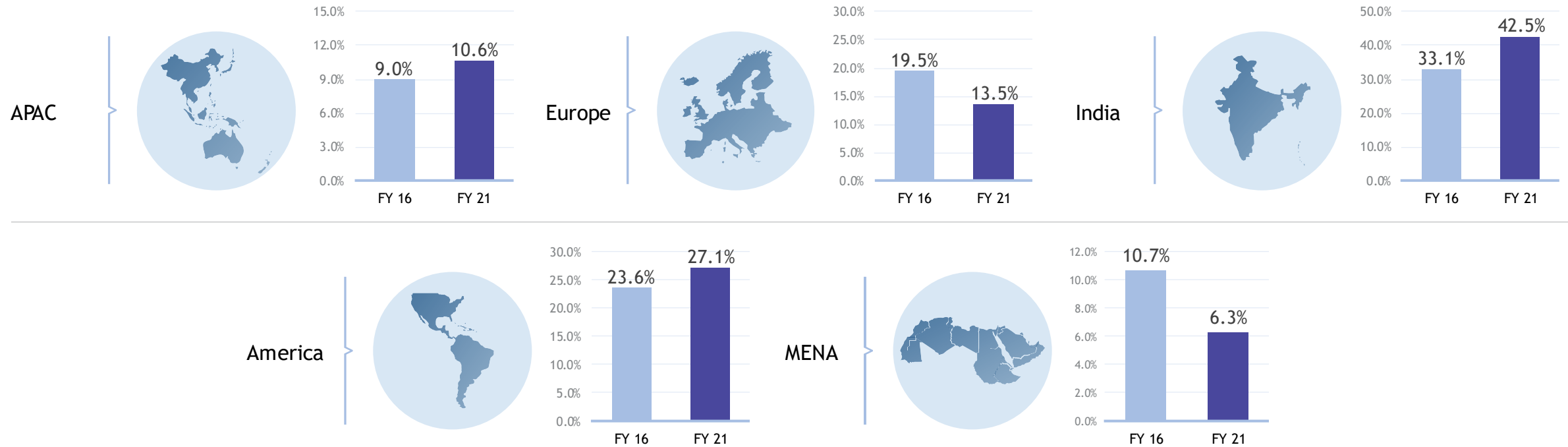


Note: USD-Rs FY16 - 65.44; FY17 - 67.07; FY18 - 64.47, FY19 - 69.9; Q1FY18 - 64.48; Q2FY18 - 64.30; Q3FY18 - 64.77; Q4FY18 - 64.35; Q1FY19 - 66.94; Q2 FY19 - 70.10; Q3 FY19 - 72.13, Q4 FY19 - 70.47; Q1 FY20 - 69.6; Q2 FY20 - 70.4; Q3 FY20- 71.24; Q4 FY20- 72.32; Q1 FY21- 75.88; Q2 FY21- 74.42; Q3 FY21- 73.82; Q4 FY21- 72.89; FY16 is reported number, and includes Data centre business

Key financials (Annual)

Geographical spread

Gross Revenue Share by Geography -



Concluding remarks

Key reflections

Riding on global data growth	Digital Transformation and Cloud adoption to drive the business growth	Transformation driving demand for hosting, SD WAN and network virtualisation services	Positioned as “Leader” in Gartner magic quadrant for network services, global for 8 th consecutive year	Digital push through partnerships with Microsoft, Cisco, Amazon
<p>The revamped GTM strategy has started to show positive results with an improvement both in funnel adds as well as in closed sales.</p> <p>Product penetration ratio* (which is the number of products sold to each customer) of Top 300 customer has improved from 5.60 in Q4 FY20 to 5.74 in Q4 FY21</p>	<p>FY21 Dividend of Rs. 14/- share which is 140% of face value of each share, and a payout of 32%</p>	<p>Significant land bank with the company (~740 acres) post transfer of surplus land to HPIL</p>	<p>The Government of India, which earlier used to hold a promoter stake of 26% in the company, has exit its entire shareholding in Q4 FY21.</p> <p>10% of the holding was absorbed by TATA Sons, and the remaining 16% has flown to the secondary markets in an Offer for Sale to the general public.</p>	



Thank you

www.tatacommunications.com

Contact for investor queries:

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