

Investor Presentation

May 2022



TATA COMMUNICATIONS

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TATA COMMUNICATIONS



Business overview

TATA COMMUNICATIONS

Introduction

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

190+
countries
of operation

50+
entities across
the globe

37+
diverse
nationalities

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

Top
percentile
of NPS®

TATA COMMUNICATIONS

Introduction

Providing connectivity to the world

30%

Global internet routes
carried by us

#1

Enterprise data and
colocation services in India

80%

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)
2022 - 9 years in a row

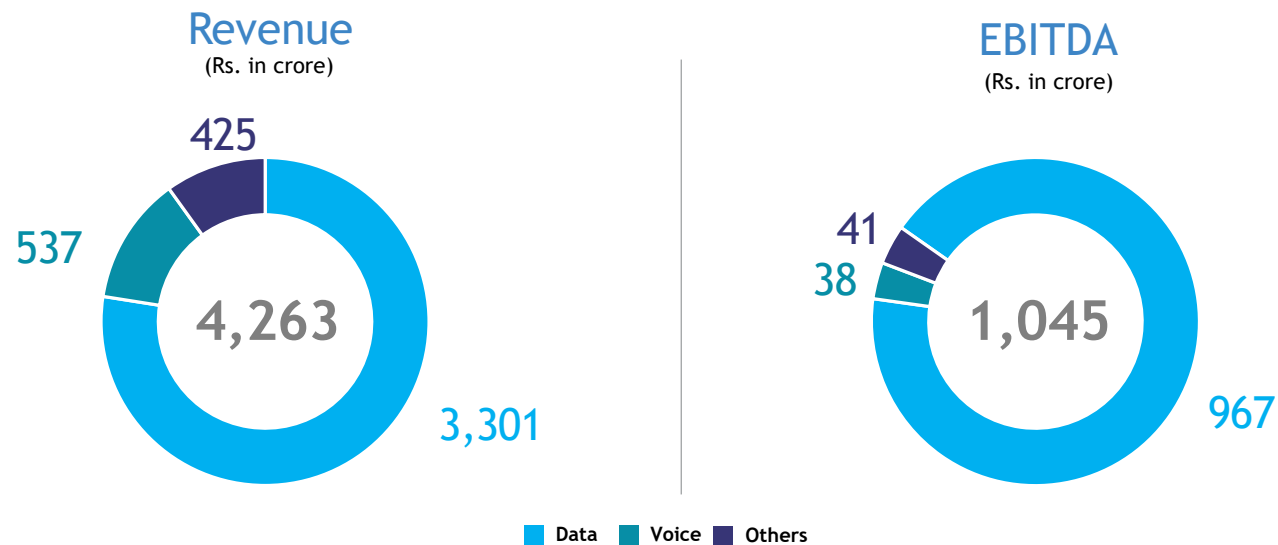
#1

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

Key Performance Indicators

Numbers that matter | Q4 FY22

Our Data business remains instrumental to our overall revenue. Data Revenue continues to improve sequentially reporting positive growth for the third consecutive quarter.



Rs. 365 Crores

PAT

Rs. 434 Crores

CAPEX

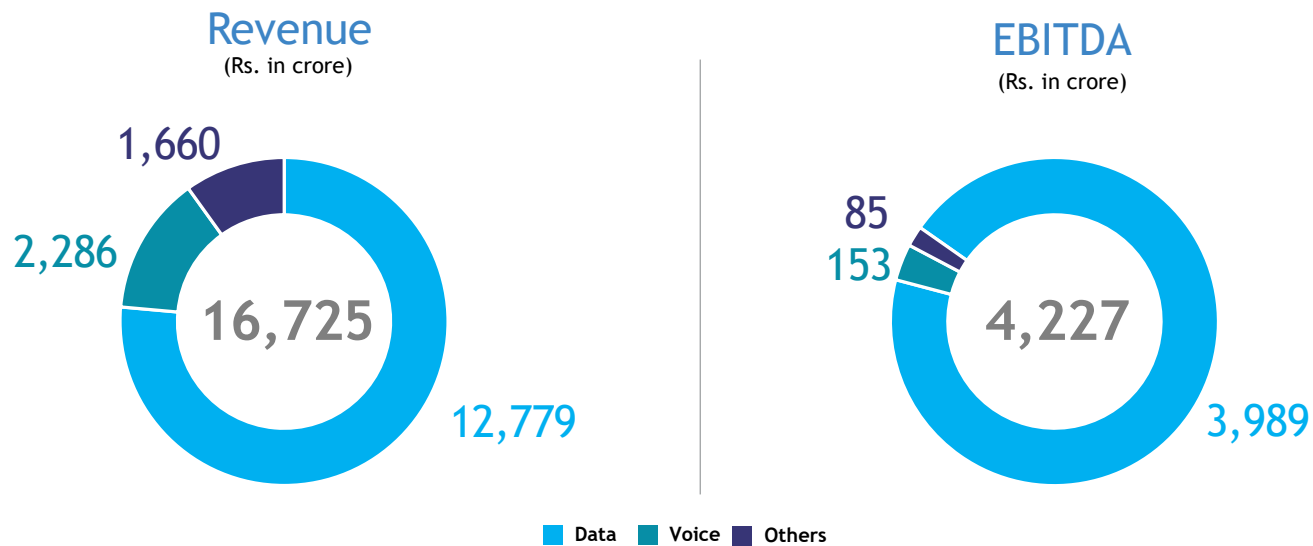
1.6 times

Net debt/EBITDA

Key Performance Indicators

Numbers that matter | FY22

Our Data business remains instrumental to our overall revenue and continues to grow YoY on the back of growth across most of the products in our Data Portfolio.



Rs. 1,482 Crores
PAT

Rs. 1,608 Crores
CAPEX

1.6 times
Net debt/EBITDA

Our evolution

Transformation is in our DNA

2002

Tata group acquires 25% stake in VSNL (India)

Inception



2005-06

- Acquired Tyco and Teleglobe, establishing a global presence
- Launched next-generation dedicated global Ethernet service connecting North America, Europe and Asia

Diversification



2008

- Established as Tata Communications
- Diversified into enterprise segment

2010

Launched managed services portfolio for enterprises

2014

Launched the most comprehensive cloud enablement platform, IZO^(TM)

2017

Launched NetFoundry, a revolutionary SaaS start-up platform and MOVE^(TM), a mobility and IOT platform

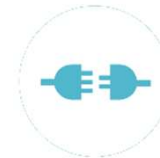
2018-20

Getting ready for the next wave of growth as a global digital ecosystem enabler

2021

Gol exits TCL by divesting its 26% stake in the company

Innovation

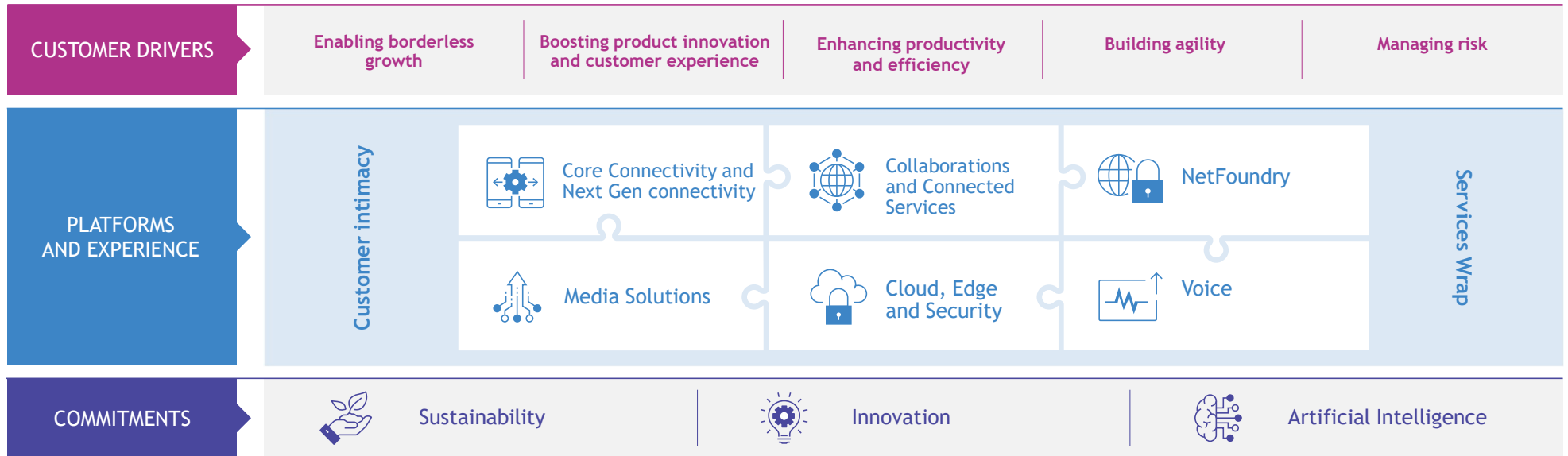


TATA COMMUNICATIONS

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

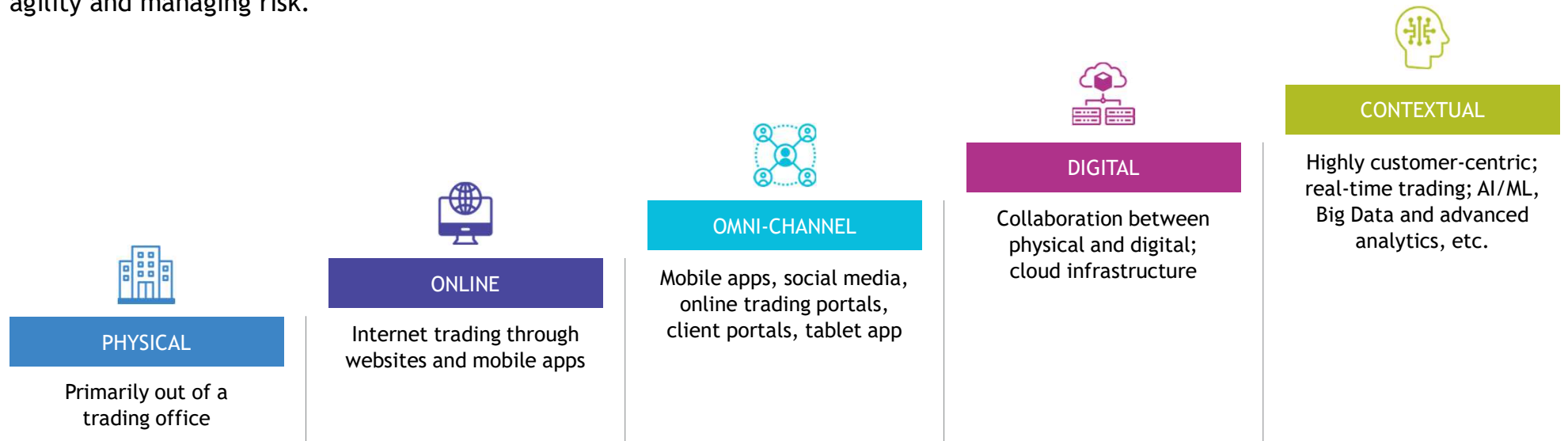
Our DRIVE culture

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

DETUNE

FEDERAL BANK
YOUR PERFECT BANKING PARTNER

AIRFRANCE  



**Hewlett Packard
Enterprise**



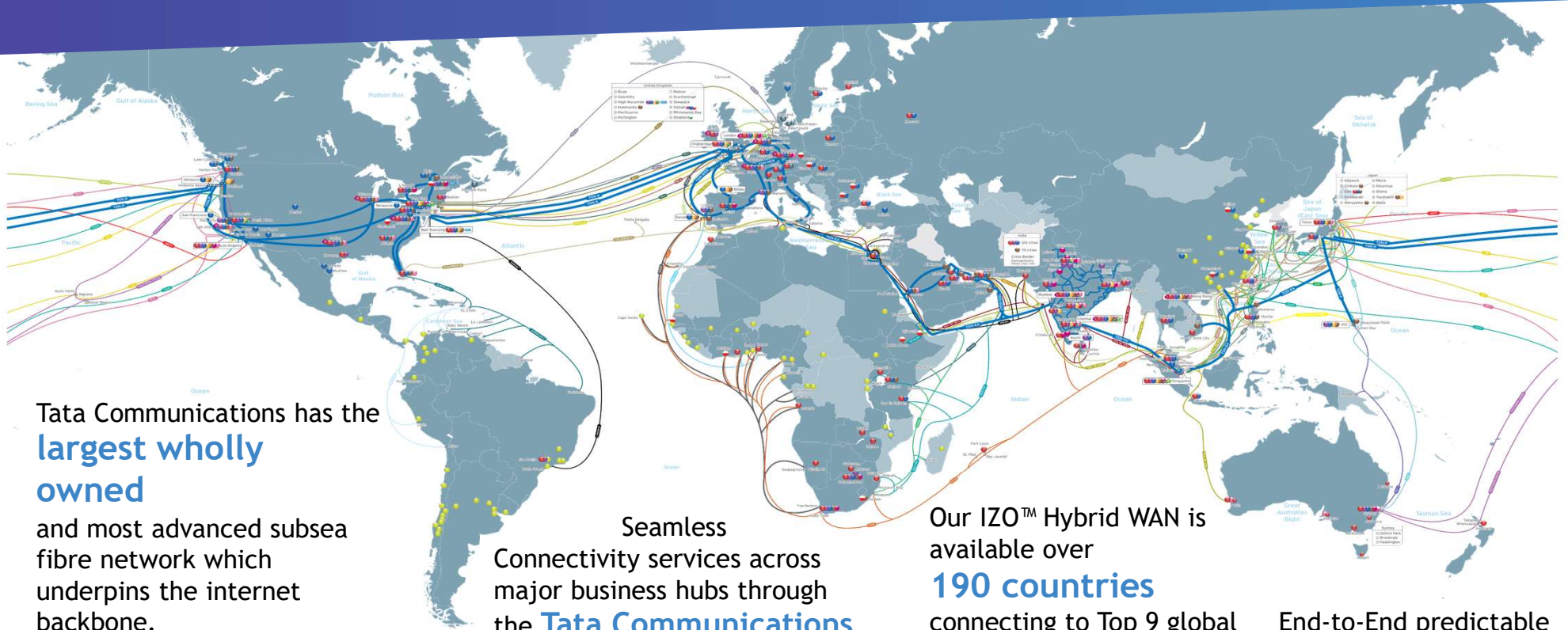
Indiabulls

DEVYANI
INTERNATIONAL LIMITED 



How we do it

Our globally local digital infrastructure



Tata Communications has the **largest wholly owned**

and most advanced subsea fibre network which underpins the internet backbone.

Seamless Connectivity services across major business hubs through the **Tata Communications Global Network** ('TGN'), partner and consortium investments

Our IZO™ Hybrid WAN is available over **190 countries** connecting to Top 9 global public Cloud platforms.

End-to-End predictable Internet delivery in over **150 countries**

Strategic overview



TATA COMMUNICATIONS

Operating context

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

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

TATA COMMUNICATIONS

Analyst views

Recognised for excellence

We're positioned as a Leader in the 2022 Gartner Magic Quadrant for Network Services, Global - 9 years in a row



Analyst take on Tata Communications

- Tata Communications' IZO internet WAN offer provides an enhanced internet service with deterministic routing and end-to-end SLAs, with access from local ISP partners in more than **151 countries**.
- Tata Communications has strong coverage in the Asia/Pacific region, Africa and the Middle East..
- It has expanded its SD-WAN offerings to include a unique one based on technology from its NetFoundry subsidiary.

1 Analysts: Neil Rickard, Bjarne Munch, Danellie Young, Karen Brown
Publishing Date: Feb 2022

TATA COMMUNICATIONS

Industry accolades Recognised for excellence



Major Contender : IT Managed Security Services PEAK Matrix® Assessment 2021 | 1st time

Major Contender : SD-WAN Services PEAK Matrix® Assessment 2021 | 1st time



Major Player in 2021 WW CDN Vendor Market Scope - 2nd time

Major Player in IDC Market Scope: Asia/Pacific Managed Cloud Services 2021 Vendor Assessment

Major Player in IDC Market Scope: Asia/Pacific Cloud Security Services



Leader in Avasant SD-WAN Managed Services 2020 RadarView™



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



Asia-Pacific SD WAN Competitive Strategy Leadership Award

Video Managed Service Provider Company of the Year

Managed Multi Cloud Company of the Year

Asia-Pacific SD WAN Competitive Strategy Leadership Award

Managed Security Services Company of the Year

Leader in Frost Radar - Asia-Pacific Managed SD-WAN Services Market

SD-WAN 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 maximizing 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

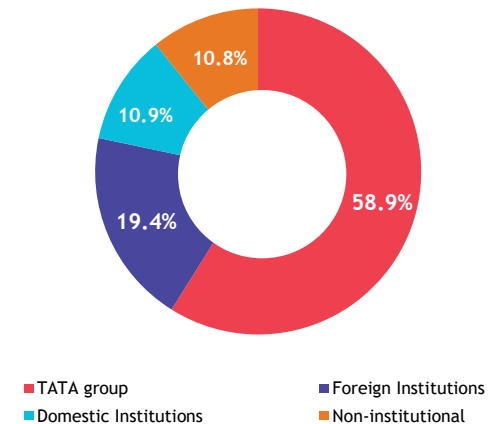
- Reshape portfolio
- Invest in new services/ innovation to differentiate and accelerate growth



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 Mar 2022



Our community

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.
- Maintaining transparency and communicating our progress to stakeholders - **Sustainable Development Report, Carbon Disclosure Project, Website, Annual Report etc.**



People

H&S Management System (ISO 45001) certification	16 major/strategic facilities certified
MULTIPLE BEST EMPLOYER RECOGNITIONS	'Great Place to Work' in India, Hongkong, Canada, US, UK, SG and Australia Kincentric Best Employers - India 2021 for the sixth year in a row
22% Women in the workforce	Diversity mix among our new hires increased from 19% (FY20) to 21.7% (FY22)
4,800+ CERTIFICATIONS COMPLETED BY EMPLOYEES	with minimum 16 hours of effort



Planet

5.60 MU
OF ENERGY CONSERVATION GLOBALLY

Power consumption reduced globally due to energy conservation projects and implementation of business continuity plans

~21 MU

Renewable energy sourced

9% Decrease

In water consumption as compared to FY21



Community

6,80,409
LIVES IMPACTED

65% women and girls
54% - affirmative action communities

19 long term projects

Presence across 14 states in India
International presence - Singapore

300+

Touchpoints with investors and analysts

20,472
VOLUNTEERING HOURS

Contributed by 4,039 volunteers to reach 92,269 lives

Our People

Our DRIVE culture

Despite 2021 being a difficult year, we saw an improvement in per employee learning days, translating into a **35% increase** in total learning person-days to 112,782. 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

100% (FY2021-22)

Learning via digital mode in Tata Communications Learning Academy

4778 (FY2021-22)

Certifications completed by employees with minimum 16 hours of effort

Total outreach, impacting
6,80,409 lives

which is also a result of community action undertaken by our employees. A total of 20,472 hours were channelized to improve the lives of the communities we serve as part of our CSR initiatives

Certified as a Great Place to Work by Great Place to Work Institute

(Australia, Canada, Hong Kong, India, UK, Singapore and USA)

- Best Employers in India for 2021 by Kincentric (erstwhile Aon) - 6th year in a row
- Best Workplaces in Telecommunications in India for 2021 by Great Place to Work Institute
- Best Organizations for Women for 2022 by The Economic Times
- Best Companies for Women in India for 2021 by Working Mother and Avtar - 6th year in a row
- Best Workplaces for Women in India for 2021 by Great Place to Work Institute

TATA COMMUNICATIONS

Performance overview

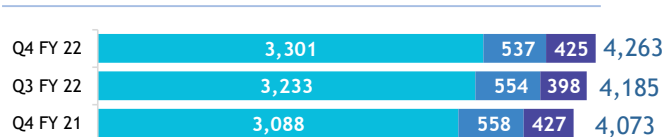


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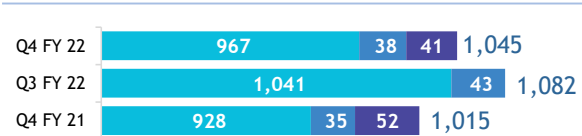
Key financials (Quarterly)

Revenue | EBITDA | FCF

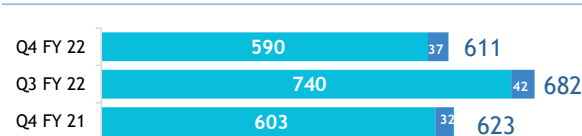
REVENUE*



EBITDA*



FCF*



*All figures in Rs. crore

FCF = EBITDA less Capex

- Consolidated revenues increased by 4.7% YoY. Data revenue grew by 2.1% QoQ and 6.9% YoY backed by growth across most of the segments. Data revenue posted QoQ growth for third consecutive quarter.
- EBITDA stood at INR 1045 Crores on the back of continuous focus on improving profitability. Margin came in at 24.5% declining by 40 BPs on YoY basis.
- Profit for the quarter was INR 365 crore as compared to INR 299 crore in the last year, witnessing a 22% growth.

■ Data ■ Voice ■ Others

Revenue Growth %	QoQ	YoY
Data	↑ 2.1%	↑ 6.9%
Voice	↓ (3.1%)	↓ (3.8%)
Others	↓ (7.1%)	↓ (5.8%)
Consol	↑ 1.9%	↑ 4.7%

EBITDA Growth %	QoQ	YoY
Data	↓ (7.1%)	↑ 4.2%
Voice	↓ (12.2%)	↑ 7.1%
Others	n/a	↓ (21%)
Consol	↓ (3.4%)	↑ 3%

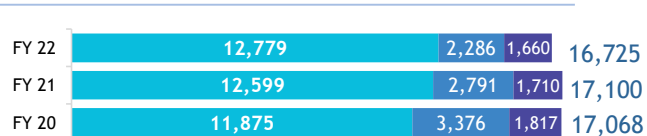
FCF Growth %	QoQ	YoY
Data	↓ (20.3%)	↓ (2.2%)
Voice	↓ (13.1%)	↑ 14%
Consol	↓ (5.4%)	↓ (3.5%)

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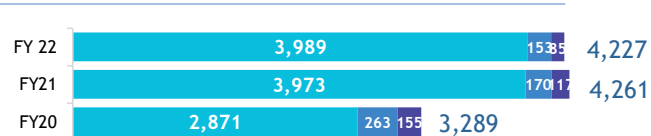
Key financials (Annual)

Revenue | EBITDA | FCF

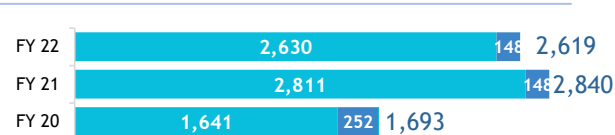
REVENUE*



EBITDA*



FCF*



*All figures in Rs. crore

FCF= EBITDA less Capex

- 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 improvement
- Net Income of INR 1,482 Crs for FY22 translated into an EPS of INR 52/share and a dividend payout of INR 20.7 per share

■ Data ■ Voice ■ Others

Revenue Growth %	FY 20	FY 21	FY 22
Data	↑ 7.4%	↑ 6.1%	↑ 1.4%
Voice	↓ (12.8%)	↓ (17.3%)	↓ (18.1%)
Others	↑ 13.7%	↓ (5.9%)	↓ (3%)
Consol	↑ 3.3%	↑ 0.2%	↓ (2.2%)

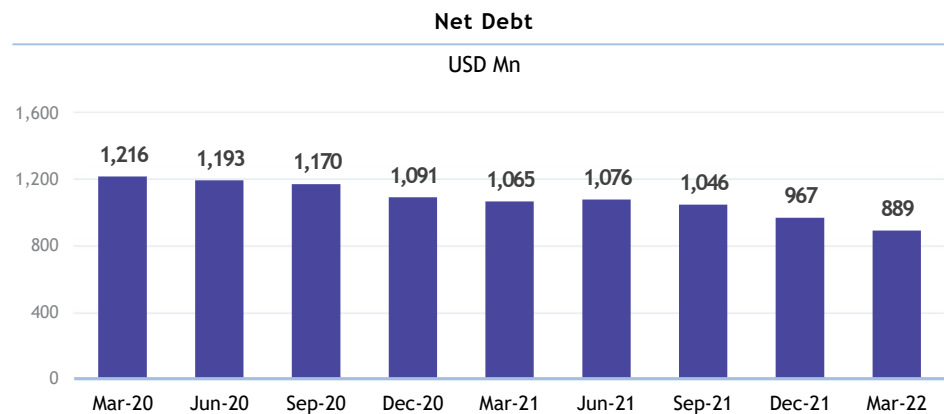
EBITDA Growth %	FY 20	FY 21	FY 22
Data	↑ 30%	↑ 38.4%	↑ 0.4%
Voice	↓ (21.6%)	↓ (35.3%)	↓ (10.2%)
Others	↓ (22.9%)	↓ (24.1%)	↓ (27.4%)
Consol	↑ 19.8%	↑ 29.5%	↓ (0.8%)

FCF Growth %	FY 20	FY 21	FY 22
Data	↑ 147.1%	↑ 71.3%	↓ (6.4%)
Voice	↓ (23.8%)	↓ (41.4%)	↑ 0.2%
Consol	↑ 92.3%	↑ 67.7%	↓ (7.8%)

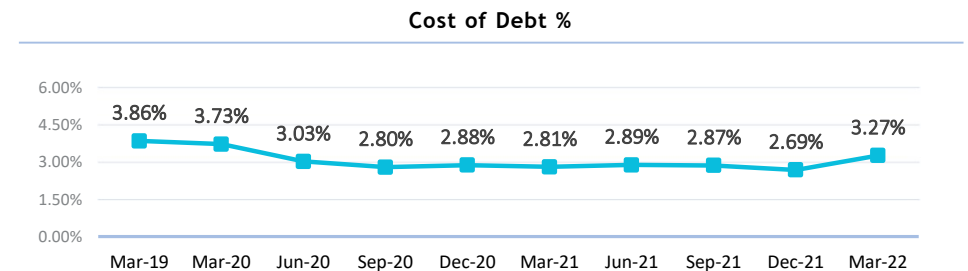
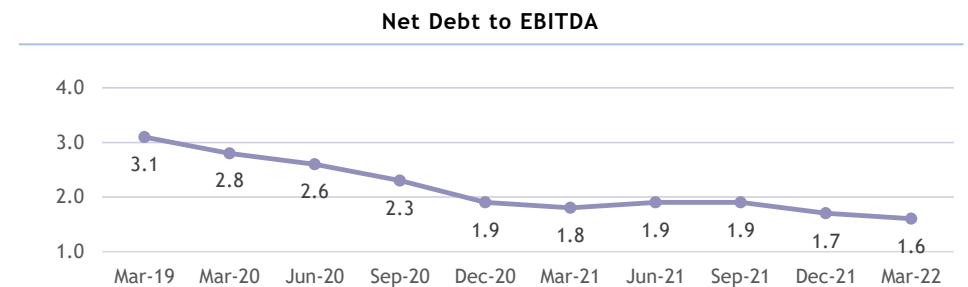
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Key financials (Annual)

Performance Highlights | Net DEBT



- Net debt was at USD 889 Mn, witnessing a decrease of USD 78 Mn over last quarter, due to strong operational performance and working capital improvement
- Average cost of borrowing for Q4 FY22 was 3.27% against 2.69% in Q3 FY22, primarily due to increase in LIBOR Rates

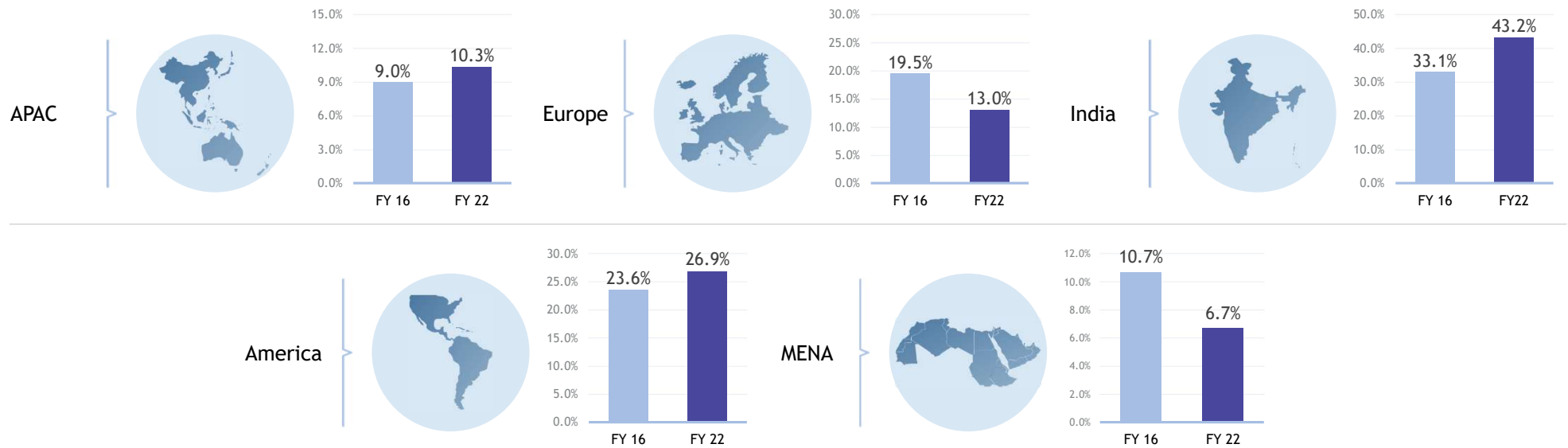


Note: USD-Rs FY17 - 67.07; FY18 - 64.47, FY19 - 69.91; FY20- 70.89; Q1 FY21- 75.88; Q2 FY21- 74.42; Q3 FY21- 73.82; Q4 FY21- 72.89; FY21- 74.25; Q1 FY22- 73.76, Q2 FY22 - 74.11; Q3 FY22 - 74.93, Q4 FY22 - 75.19; FY22 - 74.50

Key financials (Annual)

Geographical spread

Gross Revenue Share by Geography* -



* Data Revenue for all geographies excluding subsidiaries and rentals.

Concluding remarks

Key reflections

<p>Riding on global Data growth</p>	<p>Rising cloud adoption, demand for Intelligent connectivity and need for engaging customer experience to drive the business growth</p>	<p>Transformation driving demand for hosting, SD WAN and network virtualisation services</p>	<p>Positioned as “Leader” in Gartner magic quadrant for network services, global for 9th consecutive year</p>	<p>Developing platform play across offerings to create a service-oriented enterprise</p>
<p>Witnessing 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 5.5 in Q4 FY21 to 5.9 in Q4 FY22</p>	<p>FY22 Dividend of Rs.20.7/- share which is 207% of face value of each share, and a payout of 40% of Net Profit</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>	



Thank you

www.tatacommunications.com

Contact for investor queries:

investor.relations@tatacommunications.com

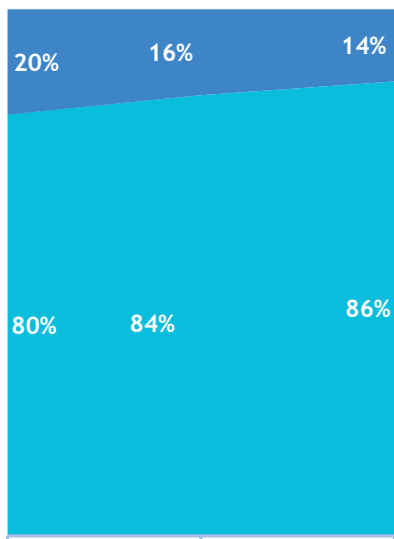
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Key financials (Annual)

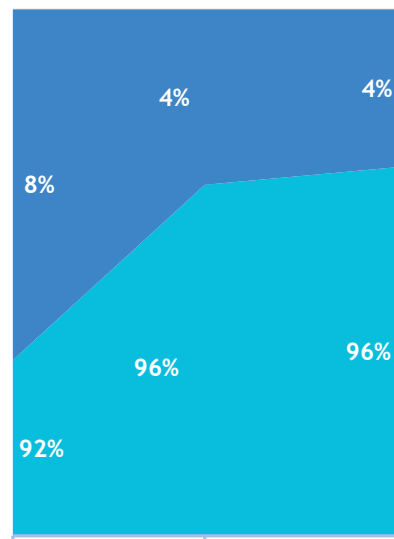
Gross revenue mix | EBITDA mix | Operating FCF mix

Gross revenue mix



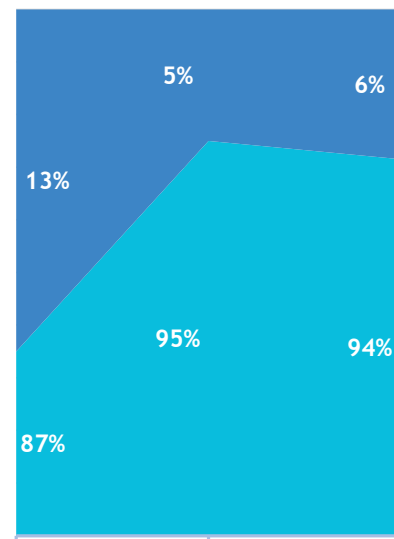
FY 20 FY 21 FY 22

EBITDA mix



FY 19 FY 20 FY 22

Operating free cash flow mix



FY 20 FY 21 FY 22

■ Data ■ Voice

- There has been a significant shift in the mix of our business, with Data dominating both in terms of Revenue, EBITDA and Free Cash Flow, and the declining dependence on Voice can be clearly seen above
- Core Connectivity services is our mainstay, and represents a majority portion of both our Revenue and EBITDA
- However, our investment in Digital Platforms & Services and our Incubation Portfolio will drive the business in the future, share of these services is steadily increasing