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PRESS RELEASE

## Tata Communications continues to drive growth and profitability Delivers PAT of INR 309 Crore for Q3, up 428% YoY

*Data services revenue grew by +3.8% YoY | Consolidated EBITDA at INR 1,046 Crore, increase of +37.5% YoY with margin expansion of 680 Bps*

Mumbai - January 19th, 2021 - Tata Communications today announces its financial results for the quarter ended December 31st, 2020.

### Highlights | Q3 FY2021

#### Consolidated financial highlights

- Consolidated revenue was at INR 4,223 crore (USD 572 Mn); flat YoY, growth in data business compensated for decrease in Voice business
- Consolidated EBITDA at INR 1,046 crore (USD 142 Mn); increase of +37.5% YoY on the back of robust growth and margin expansion in data business and cost optimisation initiatives
- Consolidated PAT at INR 309 crore (USD 42 Mn) as compared to a profit of INR 59 crore in Q3 FY20, growth of +428% YoY, on the back of strong growth in profitability
- Net Debt has come down on the back of strong free cash flow generation; Net Debt to EBITDA at 1.9x as compared to 2.9x for same quarter last year
- CAPEX for this quarter was INR 339 crore as compared to INR 490 crore in Q3 FY20

#### Data services portfolio

- Stable growth in Data business despite seasonally slow quarter; revenue grew by +3.8% YoY on the back of robust performance in Traditional services
- Data EBITDA was at INR 1,026 crore (USD 139 Mn); up +43.8% YoY led by strong growth in Traditional services and profitable gain in Growth services. Data business now contributes 98% to overall EBITDA
- Traditional services witnessed strong growth in revenue and profitability; revenue grew by +6% YoY and EBITDA grew by 20.7% YoY with margins at 42.9%. We are witnessing strong demand from OTT and Enterprise segment for our services.
- Growth services continue to scale and witness profitable growth; revenue grew by +2.6% YoY. We continue to witness operating leverage in this portfolio; EBITDA grew by +145.7% YoY with a margin expansion of 910 Bps

Consolidated Nos.	INR Crore	QoQ Growth	YoY Growth
Gross Revenue	4,223	(4.1%)	(0.1%)
EBITDA	1,046	(9.6%)	37.5%
EBITDA margin	24.8%	(150 Bps)	680 Bps
PAT	309	(19.6%)	428.2%

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Announcing the results, **A.S Lakshminarayanan, MD and CEO, Tata Communications**, said, “Our disciplined execution has helped us deliver good results in a seasonally weak quarter. Our Secure Connected Digital Experience (SCDx) offering continues to be relevant as we reimagine the *New World* for our customers. At the same time, our investments in products and services are positioning us well in our customers’ digital transformation journeys, an example being our investment in Oasis. I am happy to share that during the quarter, our efforts in Sustainability for Climate Change placed Tata Communications in the leadership band of the Carbon Disclosure Project (CDP) Report encouraging us to continue to make a difference to our Planet.”

Commenting on the results, **Kabir Ahmed Shakir, Chief Financial Officer, Tata Communications**, said, “We continue to deliver on our goal of profitable growth. Both profitability and cash flow generation has improved significantly in the last few quarters on the back of cost efficiencies and improved business processes. This agility has given us headroom to compete more effectively in the market and cater to our customer’s changing needs. Our focus continues to remain on generating a healthy order book coupled with strong execution to drive our growth.”

An investor fact sheet providing detailed analysis of the results for the quarter ended December 31st, 2020 has been uploaded on the Tata Communications website and can be accessed [here](#).

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Business highlights | Q3 FY2021

## Customer wins in Q3:

- **ATP Media, the global sales, broadcast production and distribution arm of the ATP tour** (a worldwide top-tier tennis tour for men organised by the Association of Tennis Professionals) has selected Tata Communications to deliver high quality viewing experience to global audiences by delivering live broadcast of ATP tournaments through our global end-to-end Video Connect network. We will facilitate superfast transfer of live content from on-site production, over to broadcasters, and onwards to the global tennis audience of ATP Media in over 200 broadcast territories. This will help ATP Media consolidate its production and broadcasting operations into one global network, making content distribution faster and more efficient. Our content delivery infrastructure will assist ATP Media enhance its broadcast production quality by introducing innovative technology, increasing camera angles, and cutting the delivery time to all markets, giving fans superior video quality, more viewing options, and customised insights into their favourite sport. We will enable live contribution and distribution of content from all ATP tournaments, including the 2021 ATP Masters 1000s, ATP Finals, ATP 500s and 250s. The 2020 St Petersburg Open which took place in October 2020, was also using our Video Connect network. Tata Communications will be responsible for production connectivity, distribution delivery models, on-site services, encoding and 24-hour monitoring and management. Our solution will ensure the resilience and security of the network, as well as provide the network equipment at all sites for reliable, long-distance media communication. We will also manage business continuity technology solutions for ATP through our low latency Video Connect platform.

**Carolina Santos, Head of Broadcast, ATP Media** said, “I am extremely pleased with our new partnership with Tata Communications. This represents a huge commitment for ATP Media, enabled only by Tata Communication’s level of transparency, commitment and engagement throughout every step of the process. This has allowed us to shape together a new foundation to support ATP Media’s production and distribution for years to come.”

- **MMD MOBILITY and IOT (MMD), a South African ICT services provider**, will leverage Tata Communications’ cloud-based, fully automated, and API-enabled Tata Communications MOVE™ MVNE platform to deliver high-quality, ubiquitous connectivity management for MVNOs and IoT service providers in Africa. MMD will provide fast connectivity and enhanced experience for MVNOs accessing and implementing voice, data, and SMS applications for its subscribers and, the enterprises for their IoT use cases, because of our platform’s seamless integration with the leading regional mobile network operator in Africa. With Tata Communications MOVE™ mobility and IoT platform MMD will have the flexibility to attract new customers and generate additional revenue streams by introducing new services and extending its customers’ geographical reach, without large upfront investments. This will help MMD enable its customers to capture, move and manage information securely and reliably across borders. MMD’s customers across sectors like healthcare, consumer, transport, mining, agriculture, banking, and retail will also be able to buy mobile network access from MNOs in Africa on a pay-as-you-go basis by using our platform. Working with us will facilitate MMD to become the partner of choice for businesses and MVNOs that aim to introduce new solutions and ways to engage with their customers beyond SIM cards and / or boost operational efficiencies through these next-generation digital applications.
- **One of the leading coal mining and refining companies of India**, is having the unique advantage of consolidating its entire IT infra -- hosting, security, and network services under one vendor on Tata Communications IZO™ Private Cloud in Delhi. This will enable them to realise reduction in tech costs, on-demand hardware scalability and ensure business continuity with enhanced security. They will be

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migrating their legacy on-premise ERP to SAP HANA certified platform on Tata Communications IZO™ Private Cloud, along with some non-SAP applications, resulting in a multi-cloud transformation. Our IZO Command portal will help their users seamlessly monitor and manage the multi-cloud computes. Over a period of time, the solution is expected to significantly upscale the number of users and the database size. In addition it will also help the customer optimise costs, address fluctuating and growing resource needs through on-demand IT infra scale-up and scale-down capabilities and a pay-per-use model. They will also be able to securely store, access and use data on Tata Communications' private cloud infrastructure which comes with a host of advanced security offerings, proactive control of server performance, utilisation, threat monitoring and tracking of service level compliance with our unique integrated dashboard. Furthermore, this will enable them to maintain seamless business continuity with a holistic Disaster Recovery (DR) set-up in Tata Communications Mumbai with a hundred percent data replication and resiliency spread across geographies in different seismic zones. Thus, Tata Communications will be able to evolve the hosting and security landscape along with delivering connectivity, making it an end-to-end technology transformation.

### Awards: **Best employer**

- Tata Communications USA and Tata Communications Canada certified as **Great Place to Work®**. USA certified for the second year in a row and Canada third year in a row.

### Awards: **Analyst recognition**

- Telecom Services 2020 Vendor Assessment: Leader in IDC MarketScape, Asia/Pacific Next-Generation Telcos
- Frost Radar™ Asia-Pacific Hosted IP Telephony and UCaaS Market, 2020: Leader
- The Forrester Wave™ SD-WAN Service: Strong Performer
- RadarView™: Innovators in Avasant SD-WAN Managed Services 2020
- Leader in GlobalData Global Wholesale IoT: Competitive Landscape Assessment

### Awards: **Industry recognition**

- CX Asia Week: Best Customer Experience Award Category, Honorary mention
- NASSCOM DSCI Excellence Awards 2020: [For Cyber Security Services under the category - Cyber security evangelists](#)
- Telecom Review Excellence Awards 2020: [Most Innovative Adaptation Technology for Covid-19 - Operator](#)
- Tata Communications was [recognised by global environmental non-profit organisation, Carbon Disclosure Project \(CDP\) with the distinguished 'A-' leadership score](#) for implementing current best practices in sustainability for climate change. Tata Communications score is higher than the global average of 'C' and higher than the Asia region average of 'D'.

### Partnerships:

- [Micron and Tata Communications](#): Micron and Tata Communications have joined forces to create a worldwide cellular-enabled connectivity solution that will simplify and accelerate largescale global deployment of internet of things (IoT) devices with the help of a new virtual eSIM enabled by Micron's Authentica™ Key Management Service (KMS). With the eSIM technology, the Tata Communications MOVE™ Global IoT Solution will offer end-to-end solution for zero-touch onboarding of connected IoT devices to cloud services across 200 countries and territories.

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- **Oasis and Tata Communications:** Tata Communications acquired a major stake in Oasis Smart SIM Europe SAS, a French embedded-SIM (eSIM) technology provider. This investment will allow the eSIM technology to get fully integrated into the Tata Communications MOVE™ platform, enabling an end-to-end embedded connectivity solution and strengthening Tata Communications MOVE™ as a single source platform for global enterprise mobility needs. Tata Communications will be driving and accelerating the product roadmap R&D while Oasis will leverage and amplify the growth in the mobility and IoT markets.

### New Appointment:

- **Tata Communications appointed Kabir Ahmed Shakir as Chief Financial Officer.** Kabir joined on October 21st, 2020 and is responsible for the strategic financial management of the company, including investor relations.

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#### About Tata Communications

Tata Communications is a digital ecosystem enabler that powers today's fast-growing digital economy.

The company enables the digital transformation of enterprises globally, including 300 of the Fortune 500 - unlocking opportunities for businesses by enabling borderless growth, boosting product innovation and customer experience, improving productivity and efficiency, building agility and managing risk.

With its solutions orientated approach and proven managed service capabilities and cutting-edge infrastructure, Tata Communications drives the next level of intelligence powered by cloud, mobility, Internet of Things (IoT), collaboration, security, and network services.

Tata Communications carries around 30% of the world's internet routes and connects businesses to 60% of the world's cloud giants and 4 out of 5 mobile subscribers.

The company's capabilities are underpinned by its global network, the world's largest wholly owned subsea fibre backbone and a Tier-1 IP network with connectivity to more than 200 countries and territories.

Tata Communications Limited is listed on the Bombay Stock Exchange and the National Stock Exchange of India.

[www.tatacommunications.com](http://www.tatacommunications.com)

#### Forward-looking and cautionary statements

Certain words and statements in this release concerning Tata Communications and its prospects, and other statements, including those relating to Tata Communications' expected financial position, business strategy, the future development of Tata Communications' operations, and the general economy in India, are forward-looking statements. Such statements involve known and unknown risks, uncertainties and other factors, including financial, regulatory and environmental, as well as those relating to industry growth and trend projections, which may cause actual results, performance or achievements of Tata Communications, or industry results, to differ materially from those expressed or implied by such forward-looking statements. The important factors that could cause actual results, performance or achievements to differ materially from such forward-looking statements include, among others, failure to increase the volume of traffic on Tata Communications' network; failure to develop new products and services that meet customer demands and generate acceptable margins; failure to successfully complete commercial testing of new technology and information systems to support new products and services, including voice transmission services; failure to stabilize or reduce the rate of price compression on certain of the company's communications services; failure to integrate strategic acquisitions and changes in government policies or regulations of India and, in particular, changes relating to the administration of Tata Communications' industry; and, in general, the economic, business and credit conditions in India. Additional factors that could cause actual results, performance or achievements to differ materially from such forward-looking statements, many of which are not in Tata Communications' control, include, but are not limited to, those risk factors discussed in Tata Communications Limited's Annual Reports. The Annual Reports of Tata Communications Limited are available at [www.tatacommunications.com](http://www.tatacommunications.com). Tata Communications is under no obligation to, and expressly disclaims any obligation to, update or alter its forward-looking statements.