

For immediate release

PRESS RELEASE

Tata Communications delivers strong performance

Consolidated highest ever EBITDA at INR 1,042 crore; increase of +26% YoY with margin expansion of 390 Bps

PAT at INR 258 crore; growth of +236% YoY

Data services revenue grew by +10% YoY with 460 Bps margin expansion

Mumbai - July 30th, 2020 - Tata Communications today announces its financial results for the quarter ended June 30th, 2020

Highlights | Q1 FY2021

Data services portfolio

- Strong growth in Data business; revenue grew by +10% YoY on the back of robust performance across all segments, despite an uncertain economic environment.
- Data EBITDA was at INR 975 crore; up +32.4% YoY on the back of margin expansion of 460 Bps YoY led by cost efficiency initiatives.
- Due to lockdown and remote working, we are witnessing increased bandwidth usage and higher collaboration traffic. Enterprises have upgraded their capacities and are consuming more data to support this work model. Consequently, our India enterprise business grew by 6.7% YoY and international enterprise business grew by 8.3% YoY on the back of strong demand. This has led to increase in both revenue and profitability.

Consolidated financial highlights

- Consolidated revenue was at INR 4,403 crore; growth of +5.6% YoY on the back of strong growth in Data business.
- Consolidated EBITDA at INR 1,042 crore; increase of +26.2% YoY and margin expansion of 390 Bps on the back of strong profitable growth in data business and focus on cost efficiencies.
- Consolidated PAT at INR 258 crore as compared to a profit of INR 77 crore in Q1 FY20; growth of +236% YoY.
- CAPEX for this quarter was INR 372 crore as compared to INR 342 crore in Q4 FY20.

Consolidated Nos.	INR Crore	QoQ Growth	YoY Growth
Gross Revenue	4,403	0.1%	5.6%
EBITDA	1,042	19.9%	26.2%
EBITDA margin	23.7%	390 Bps	390 Bps
PAT	258	↑	236%

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Commenting on the results, **A.S Lakshminarayanan, MD and CEO, Tata Communications**, said, “We have started this new financial year with strong performance amidst an uncertain and unpredictable economic environment. Digital is increasingly defining and shaping the experiences in this new world. It will become even more strategically core as businesses look to adopt new ways of working and transform how they operate, and how they engage with their audiences and with each other. We continue to be a key partner for our customers as they look to now focus on business recovery, acceleration, and growth.

Our new proposition, Secure Connected Digital Experience, is aimed at enabling customers to adopt new digital working models by providing a holistic ecosystem of solutions that are suited for this digital-first environment and are built for the long term. We’re seeing good interest in the market for these solutions. We remain focused on our strategy to deliver profitable growth and to be a preferred digital partner to our customers.”

Commenting on the results, **Pratibha K. Advani, Chief Financial Officer, Tata Communications**, said, “We have registered another quarter of strong growth. Data portfolio, which has been the key driver for our business, recorded a double-digit growth of 10% YoY with robust margin expansion of 460 Bps.

Enterprise business has also shown a healthy increase in the quarter, on the back of strong growth in India as well as the international markets, with India growing by 6.7% and international by 8.3% YoY. We continue to drive cost efficiencies in our business and with every successive quarter, we are improving our financial fitness.

An investor fact sheet providing detailed analysis of the results for the quarter ended June 30th, 2020 has been uploaded on the Tata Communications website and can be accessed [here](#).

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Business highlights | Q1 FY2021

Customer wins:

- In Q1 FY21, we expanded our relationship with [VICE Media](#), a digital media and broadcasting company, to manage content across all its production centres and offer immersive, high quality viewing experience to its audiences, globally. Tata Communications is providing a range of network solutions, cloud storage and a suite of Media and Entertainment solutions including Video Connect and Media Asset Management to VICE Media, enabling secure, scalable, and cost-efficient cloud-based post-production workflows for its content editors. These suite of solutions will allow VICE Media to be agile and grow its global footprint by capturing content from anywhere in the world, transferring it over a secure, hybrid network to its editors in production centres across 36 locations in Europe, US, Canada, Asia Pacific, and the UK, and broadcasting it across VICE Media channels to global audiences.
- Tata Communications is providing [Petrofac](#), a leading international service provider to the energy industry, with a secure, global and flexible suite of enterprise-grade WAN services, consisting notably of IZO™ Internet WAN and IZO™ SDWAN, connecting their 50+ locations across the globe. IZO™ Internet WAN is a unique global Internet-based WAN service that gives enterprises the flexibility and predictability of a private network, with the global reach of the Internet. This is in addition to the Secure Web Gateway that we have been providing to Petrofac's global users. With Tata Communications' cutting edge software-defined and virtualised network technologies, Petrofac will now be able to leverage consistent network performance, end-to-end Service Level Agreements (SLAs) & reporting, and a future-ready network to aid cloud adoption for its existing enterprise application with predictable performance.

Awards: Best employer

- Recognised among [‘India’s Best Companies to Work For 2020’](#) by Great Place to Work® Institute, for fourth year in a row.
- Recognised among the [‘Best Workplaces in Hong Kong™ 2020’](#) by Great Place to Work® Institute, for fourth year in a row

Awards: Analyst recognitions

- [Eight awards at Frost & Sullivan's 2020 India ICT Awards:](#)
 - Enterprise Data Service Provider of the Year (eleventh year)
 - Enterprise Telecom Service Provider of the Year - Large Enterprise Segment (fifth year)
 - Managed Multi Cloud Service Provider of the Year (third consecutive year)
 - SDWAN Service Provider of the Year (third consecutive year)
 - Unified Communications Service Provider of the Year (third consecutive year)
 - Managed Security Service Provider of the Year - Telecom (second consecutive year)
 - Cloud Interconnect Service Provider of the Year (second consecutive year)
 - Video Managed Services Provider of the Year (second consecutive year)
- **Omdia:** Leader in Global Video CDN landscape (first year)
- **IDC MarketScope:** ‘Major Player’ in Asia/Pacific Managed Security Services 2020 (second consecutive year)
- **Everest Group:** Leader in Global Network Transformation & Managed Services PEAK Matrix Assessment 2020 (first year)
- **Forrester:** Covered in the Forrester NowTech Global as Midsize Vendor in Cloud Contact Center Vendors report (first year)

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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

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. Tata Communications is under no obligation to, and expressly disclaims any obligation to, update or alter its forward-looking statements.