



 **Tanla Platforms Limited**  
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Date: October 17, 2024

To,

<b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Scrip Code: <b>532790</b>	<b>National Stock Exchange of India Ltd.</b> “Exchange Plaza” Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051 Symbol: <b>TANLA</b>
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Dear Madam/Sir,

**Sub: Investor Updates for the quarter ended September 30, 2024.**

With reference to the above cited subject, we are enclosing herewith the Investor Updates for the quarter ended September 30, 2024.

Request you to take the same on record and oblige.

Thanking you

Yours faithfully,  
For **Tanla Platforms Limited**

SESHANURA Digitally signed by  
SESHANURADHA CHAVA  
DHA CHAVA Date: 2024.10.17 19:31:02  
+05'30'

Seshanuradha Chava  
General Counsel and Company Secretary  
ACS-15519



# Investor Update

Q2 FY25

Oct 17, 2024



Thousand Pillars of Warangal (Telangana), a UNESCO World Heritage site, symbolizing India's timeless resilience and artistic grandeur

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## Safe Harbor and Other Information

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 or the relevant share of any participants in the market.

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," "PROPOSED," "goals," "estimate," "potential," "predict," "may," "will," "might," "could," "intend," "shall," and variations of these terms or the negative of these terms and similar or derivative 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 12/10/24, 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, ValueFirst, Gamooga, Trubloq & Wisely included herein are the property of the owners thereof and are used for reference purposes only.



# Q2 FY25 Results – Snapshot

All numbers are ₹ unless otherwise stated



**Revenue**

**10,007 Mn**

0.8% de-grew



**Gross Profit**

**2,618 Mn**

26.2% gross margin



**EBITDA**

**1,754 Mn**

17.5% EBITDA margin



**FCF**

**520 Mn**

40% of PAT



**PAT**

**1,302 Mn**

13.0% PAT margin



**EPS**

**9.70**



**Cash(1)**

**7,053 Mn**

Decreased by ₹ 520 Mn QoQ post dividend payouts

Note: All growth numbers are over Q2FY24, i.e., YoY growth

1. Cash balance includes fixed deposits with maturity greater than twelve months classified under Non-Current Assets and liquid investments



# Tanla has track record of Strong Performance

All numbers are ₹, unless otherwise stated

## Sustained Value Creation

**19%**

Revenue growth<sup>1</sup>

**22%**

Gross profit<sup>1</sup>

**19%**

EBITDA growth<sup>1</sup>

**6,596 Mn**

Cash returned to shareholders

**15%**

PAT growth<sup>1</sup>

**68%+**

Increase in stock price<sup>2</sup>

## Best-in-class Execution

**100+**

Innovations<sup>3</sup>

**5+**

Patents<sup>4</sup>

**2,000+**

Customers across segments

**100+**

Partners<sup>5</sup>

**333**

Customers with >10 MN ₹ Revenue p.a.

**50%**

Rev. from 50 / top 100 cust., retained for > 5 yr.

## World Class Culture

**1000+**

Employees in India and beyond

**19,749**

Training hours

**25%**

Women in leadership

**Zero**

POSH and human rights complaints

**68/100**

S&P Global ESG Score

**100%**

Return-to-Work Rate from Parental leave

## Listed in indices

MSCI

Nifty500

Nifty MidSmallcap400

Nifty Smallcap250

FTSE

Nifty India Digital

S&P BSE SENSEX

## Awards

Gartner

Visionary in CPaaS Magic Quadrant

Meta

Growth partner of the year

MEFFYS

Enterprise Communication

dun & bradstreet

Leading Mid-corporate of India

## Recognitions



'Industry mover' and Member of sustainability yearbook



'Global HR excellence award'

1. CAGR growth over four years starting from FY21 to FY24

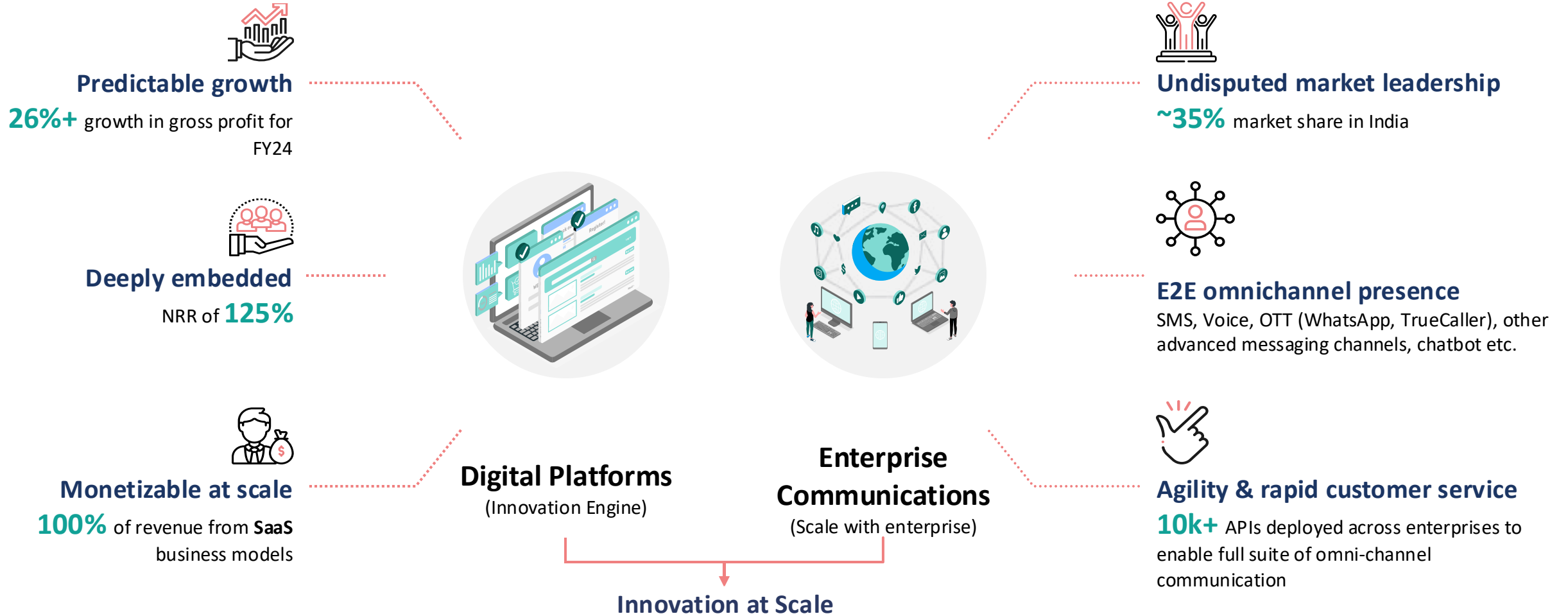
2. ₹ 524 on 31<sup>st</sup> Mar 2023 vs 897 on 30<sup>th</sup> September 2024; 3. Including enhancements; 4. patents granted for Wisely; 4 provisional patents for ATP and Trubloq 2.0 5. Includes all 3<sup>rd</sup> party contractors

Source: Team analysis





# Today, Tanla focuses on two synergistic businesses - Digital Platforms & Enterprise Communications



The data indicated on market size has been arrived at basis our internal analysis. This is our assessment and merely indicative in nature.



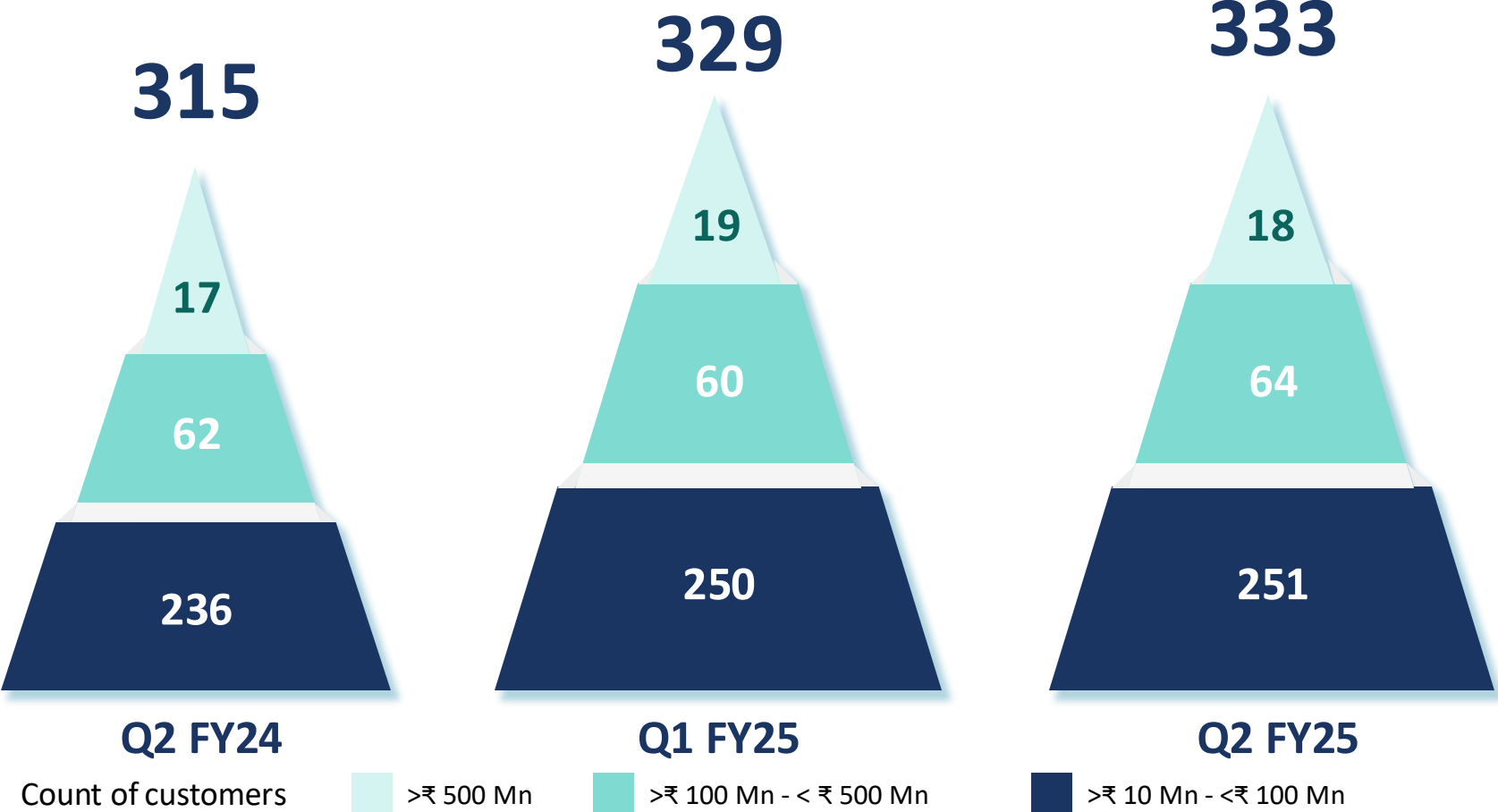
# Business Outcomes

# Customer cohorts: Expansion of Customer Relationships

333 customers contributing > ₹ 10 Mn annual revenue, up by **5%** on YoY basis

Customers contributing > ₹ 1 Cr annual revenue grew by **2%** on QoQ basis

**13** out of top 20 customers of last year continue to be in top 20 and remaining in top 30



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



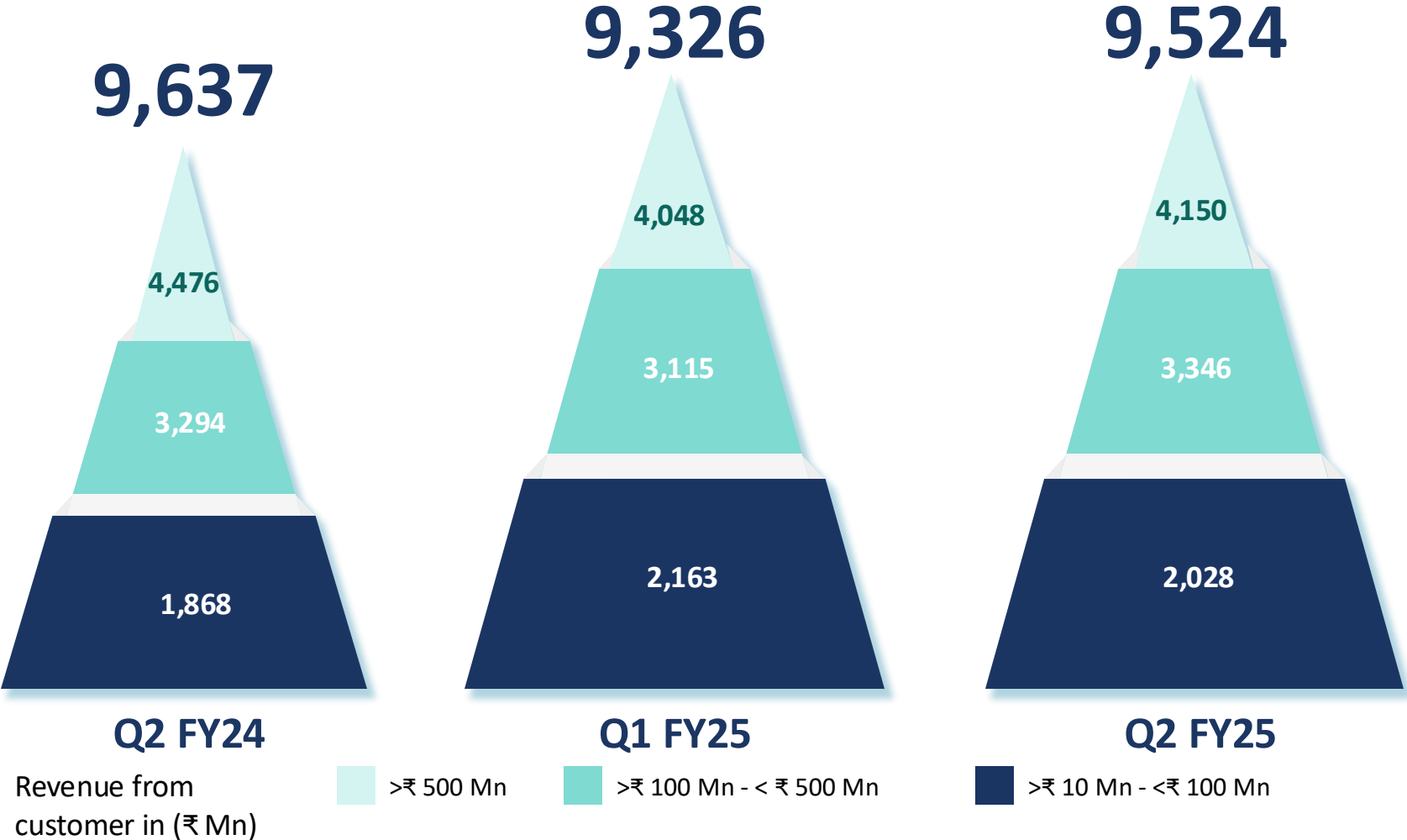


# Customer cohorts: Increase in Product Penetration

Customers on-boarded during the trailing twelve months (TTM) have added ₹ 417 Mn in Q2FY25

Top **20** customers are contributing to **44%** of revenue (₹ 4,443 Mn) in Q2 FY25

Customers contributing > ₹ 500 Mn annual revenue grew by **3%** on QoQ basis



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

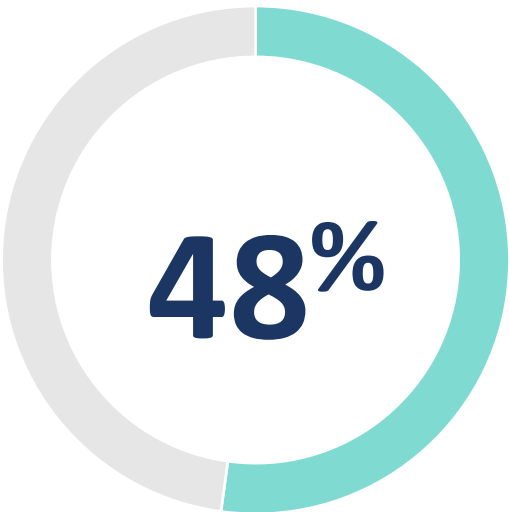


# Customer Concentration

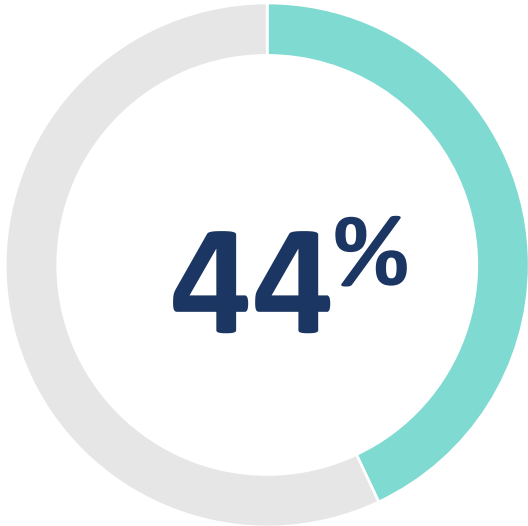
13

out of 20 customers of last year continue to be in Top 20

● Revenue from top 20 customers (₹ Mn)



● 4,830  
Q2 FY24



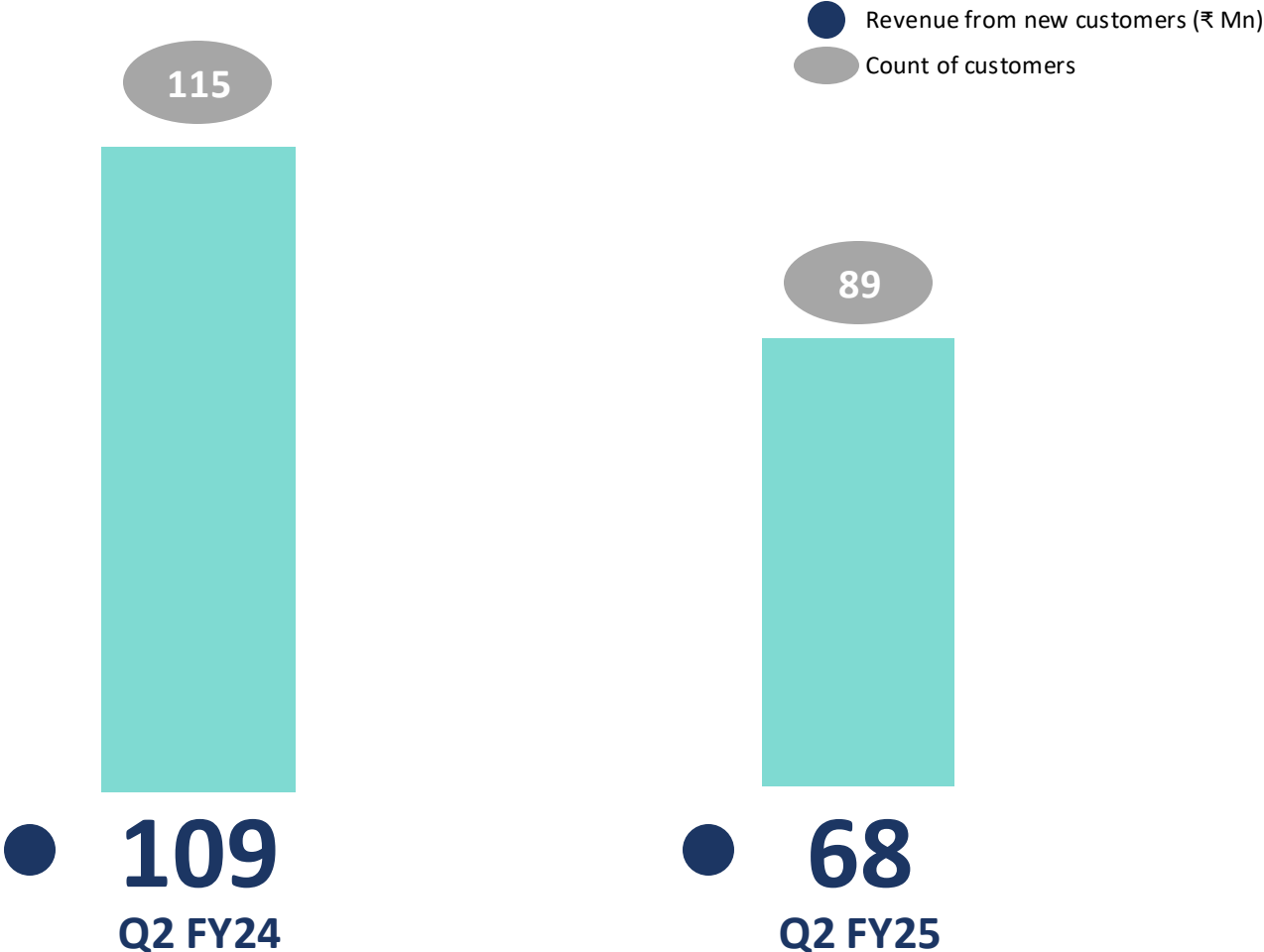
● 4,443  
Q2 FY25



# Winning New Logos

# 35%

## New Customers added on WA



1. New customers include every unique contracting entity added during the year

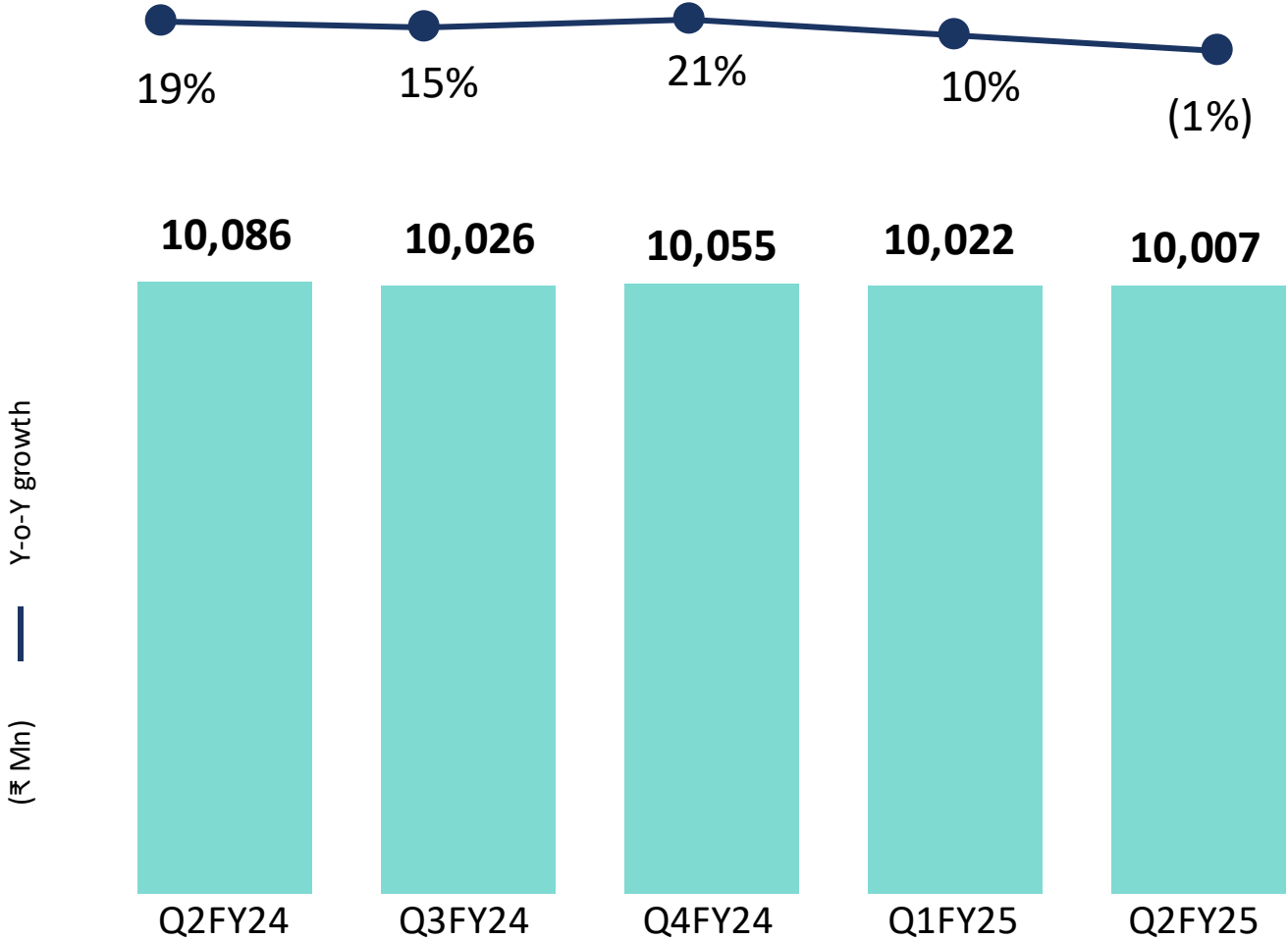


# Financial Outcomes





# Revenue



Revenue growth remains muted both on YoY and QoQ basis



OTT contribution to overall revenue was at 20.3% in Q2FY25, as against 9.7% in Q2FY24 – we are making the shift to rich media



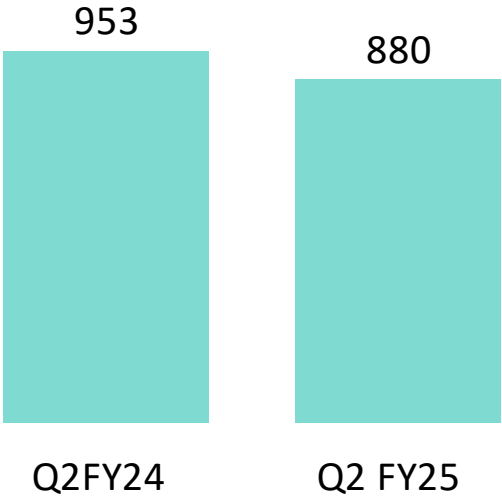
# Q2 FY25 – Digital Platforms & Enterprise Communications Revenue

(₹ Mn)



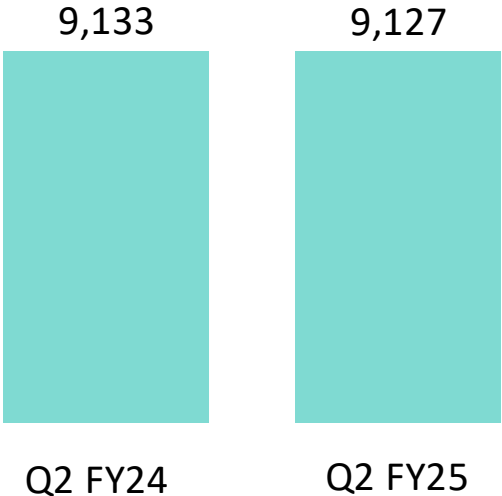
## Digital Platforms

De-grew by 7.7% YoY  
16% YoY growth excluding Vi impact

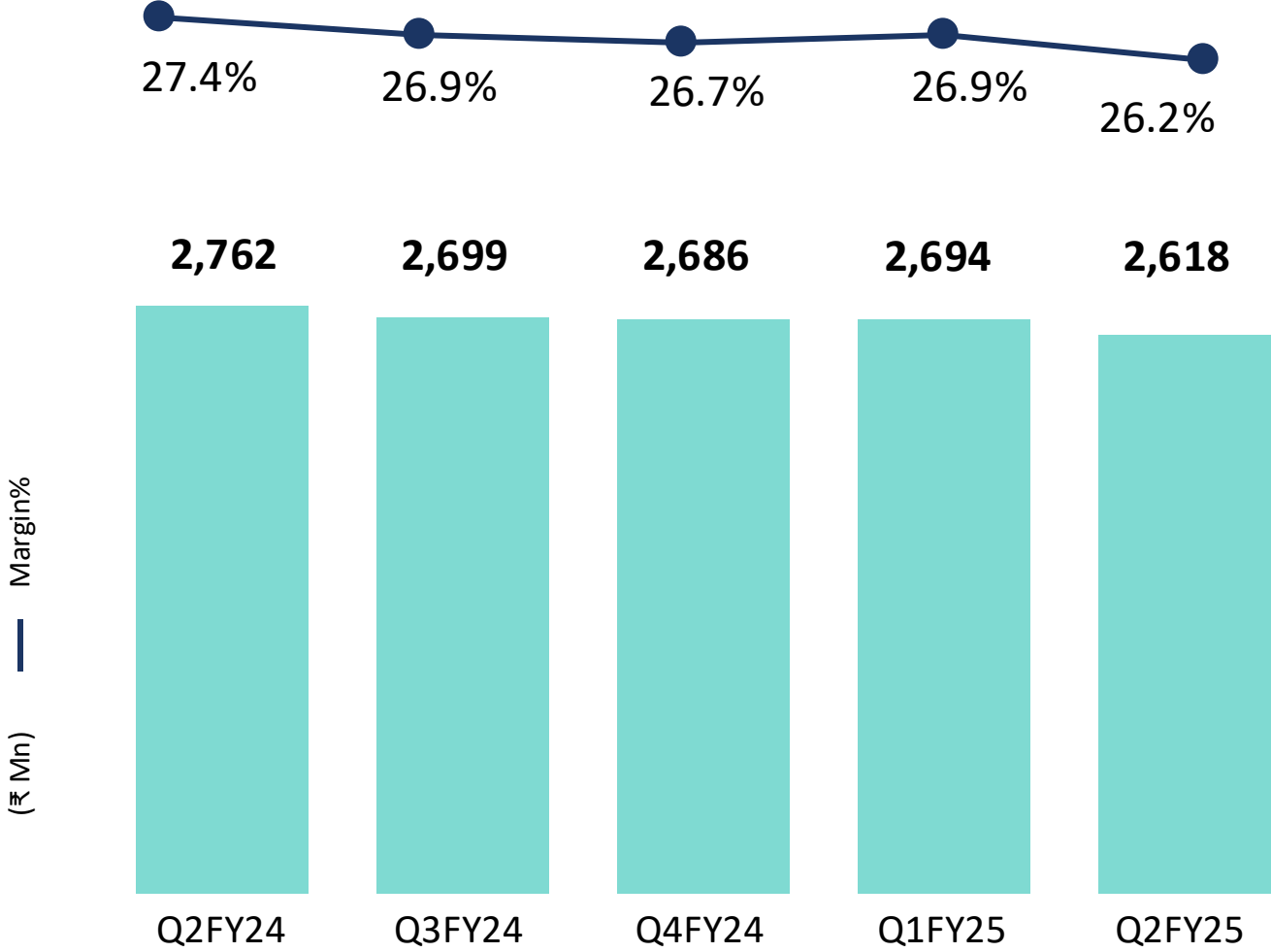


## Enterprise Communications

0.1% de-grew  
YoY



# Gross profit



Gross profit de-grew by 5.2% YoY. Gross margin was at 26.2% in Q2FY25 decreased by 122 bps



Digital Platform gross profit de-grew by 6.7% YoY and grew by 1.5% sequentially driven by incremental revenue from Wisely ATP and MaaP



Enterprise communications gross profit de-grew by 4.4% YoY



On sequential basis, gross margin % decreased by 72 bps

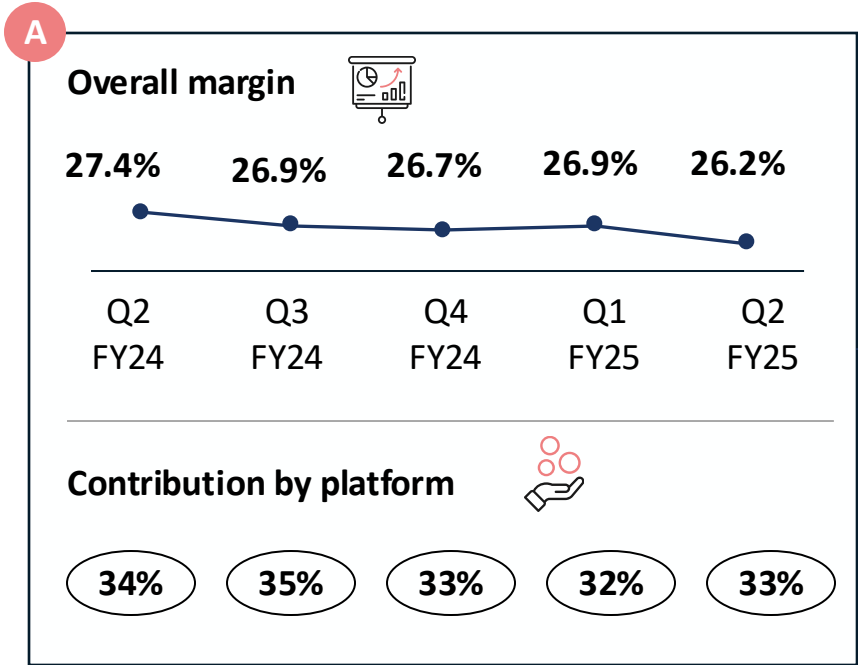


# Gross margin profile

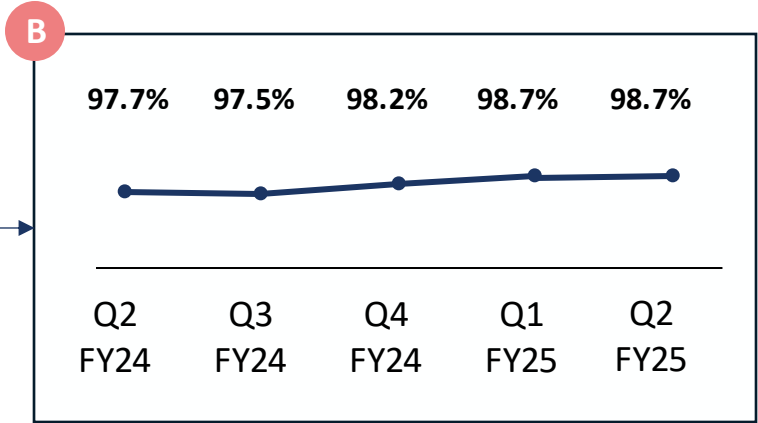
**A** Decrease in gross margin by **122bps YoY**, and **72bps QoQ**

**B** Digital Platform gross margin **contribution to total at 33%**

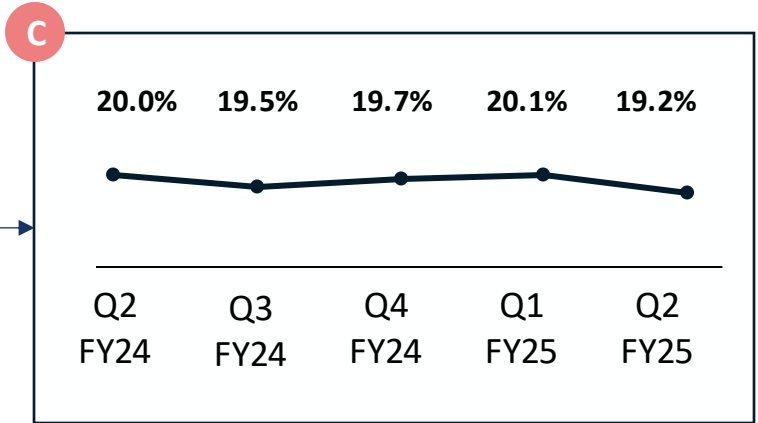
**C** Enterprise communications **gross margin at 19.2% in Q2**



**Platform business**

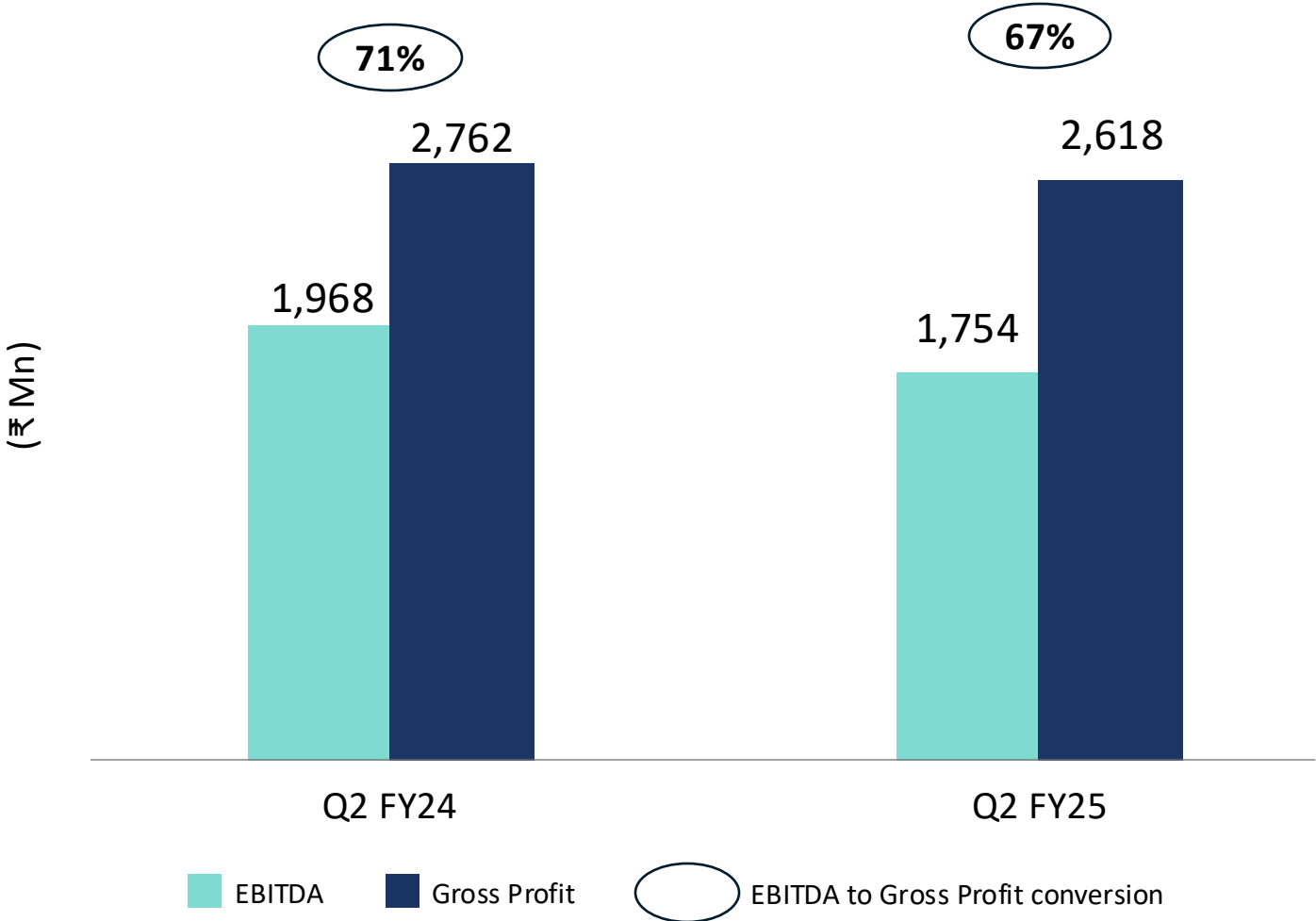


**Enterprise business**





# Efficiency Metrics



EBITDA was at ₹ 175 Cr, de-grew by 10.9% YoY and sequentially by 7.0%. The decrease can be primarily be attributable to lower gross profit coupled with increase in indirect cost spends



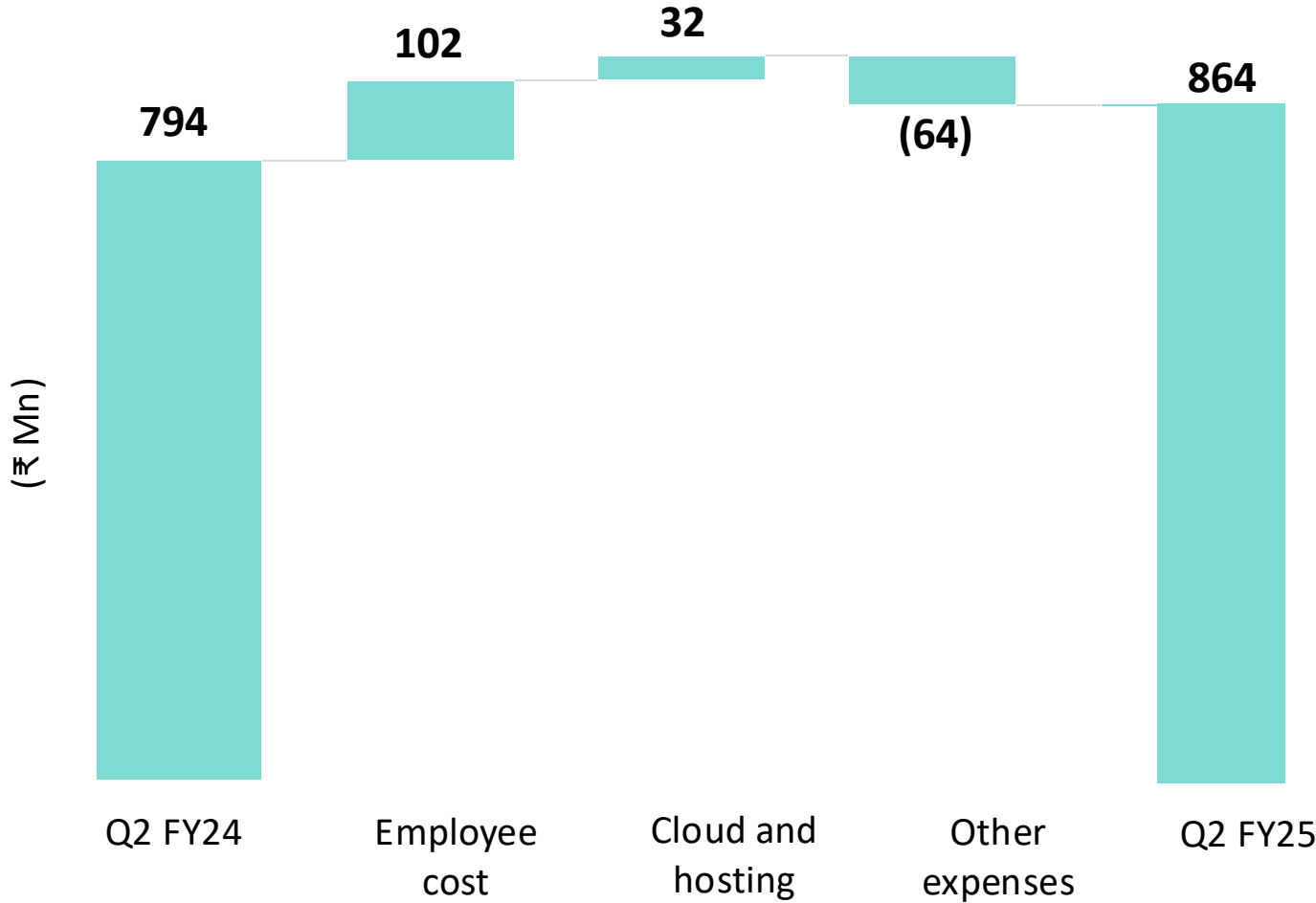
EBITDA margin declined by 129 basis points sequentially and 198 basis points YoY



Indirect cost was at 8.6% of revenue in Q2 FY25 as against 7.9% in Q2 FY24



# Indirect cost walk YoY



Employee cost increased by ₹102 Mn due to net additions, salary increments and RSU cost



Cloud and hosting charges increased due to incremental spends on infrastructure revamp initiatives

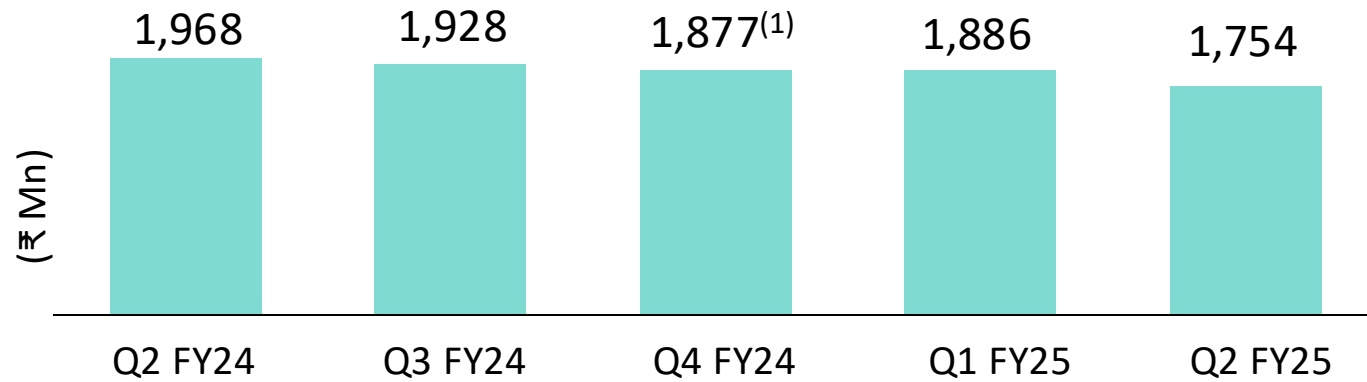


Other expense increased due to incremental spends on marketing and other general expenses offset by forex gain



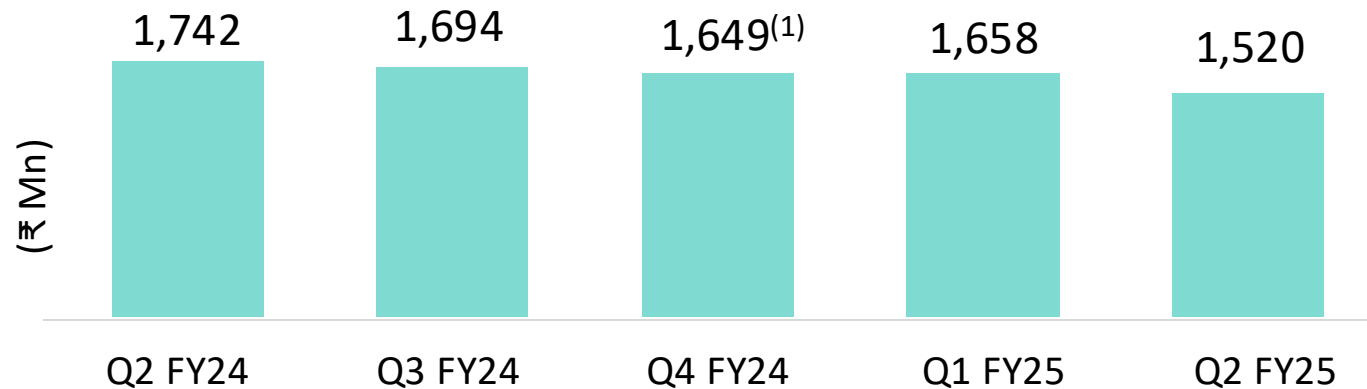
# Operating Income

## EBITDA



EBITDA de-grew by 10.9% YoY and 7.0% QoQ to ₹ 1,754 Mn in Q2FY25. This decrease can be primarily attributable to lower gross profit coupled with increased indirect cost spending

## EBIT



Depreciation was at ₹ 234 Mn in Q2 FY25



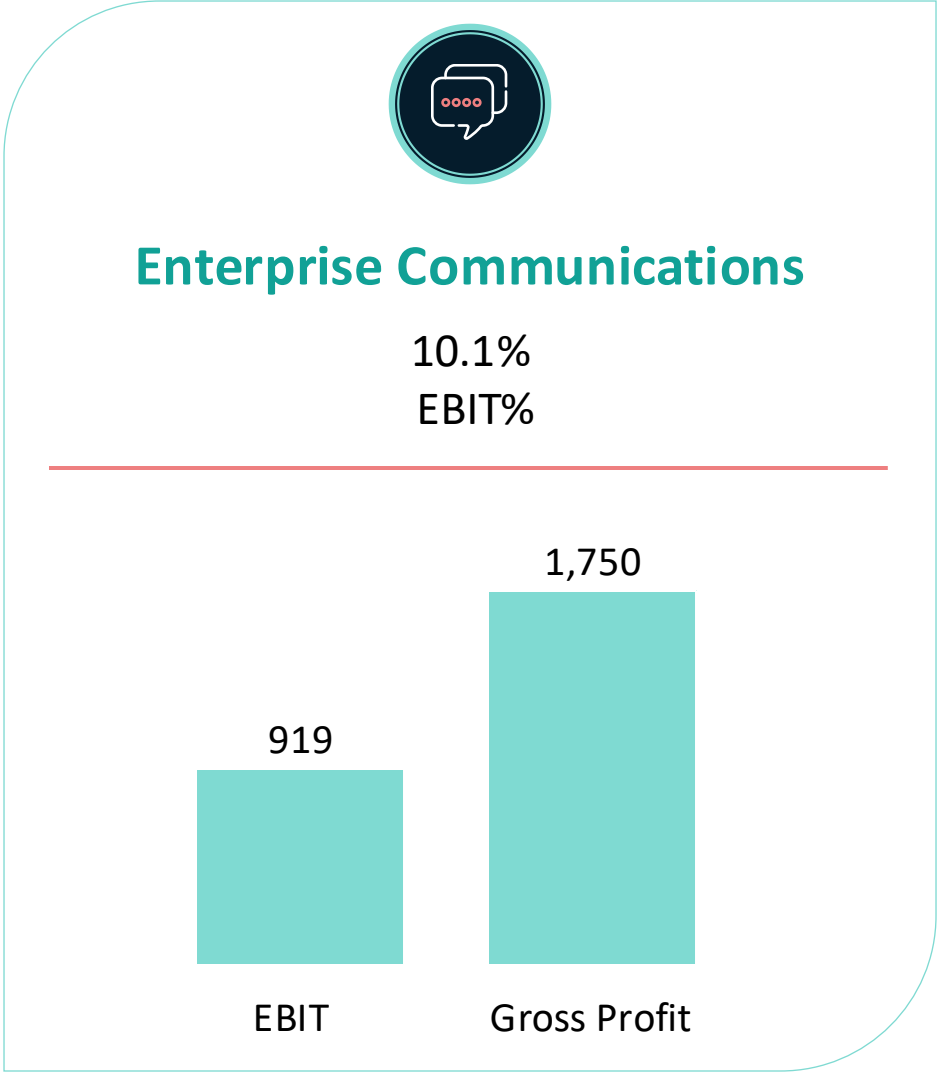
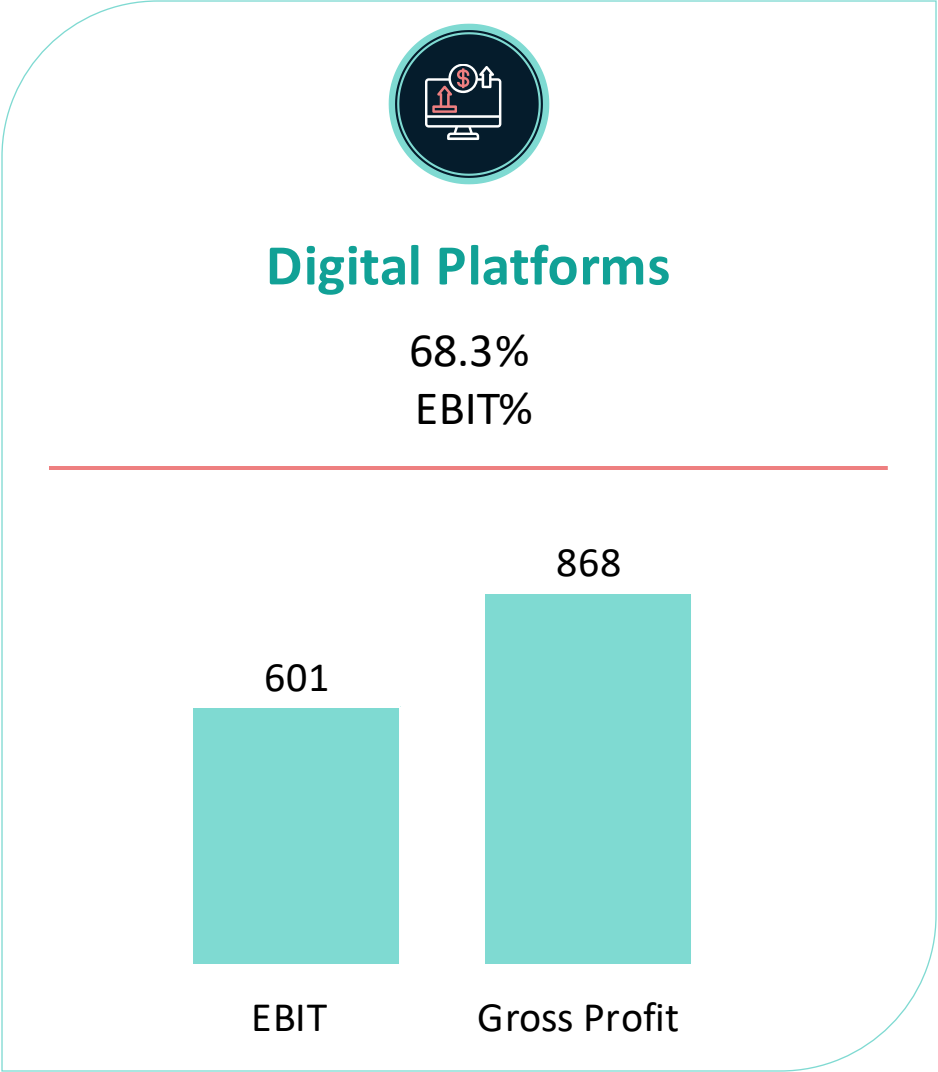
EBIT was at ₹ 1,520 Mn in Q2 and EBIT margin at 15.2%

<sup>1</sup> We have considered adjusted EBITDA and EBIT. Please refer slide no. 29 for reconciliation between reported number to adjusted number



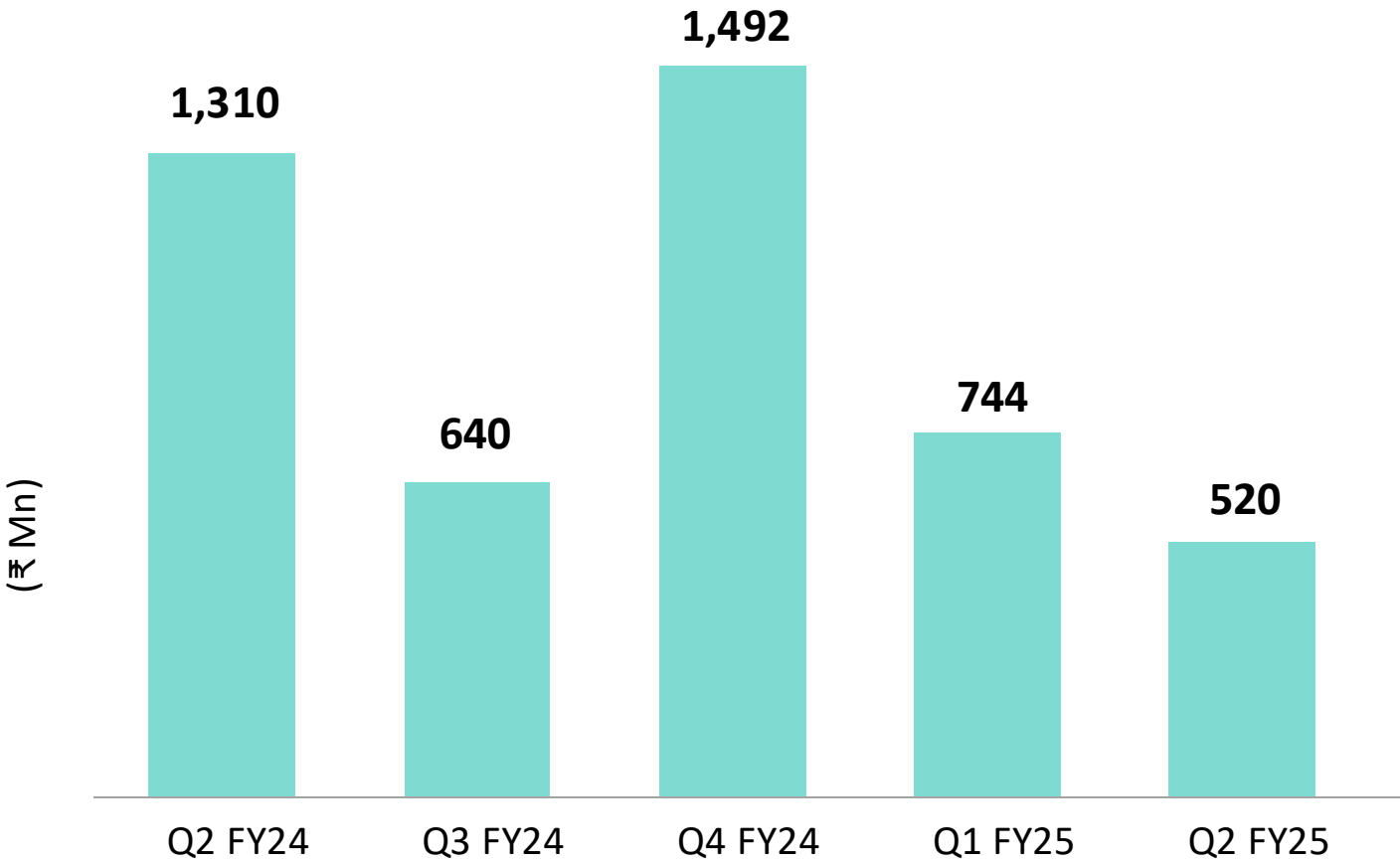
# EBIT Profile

(₹ Mn)





# Free Cash Flow Generation

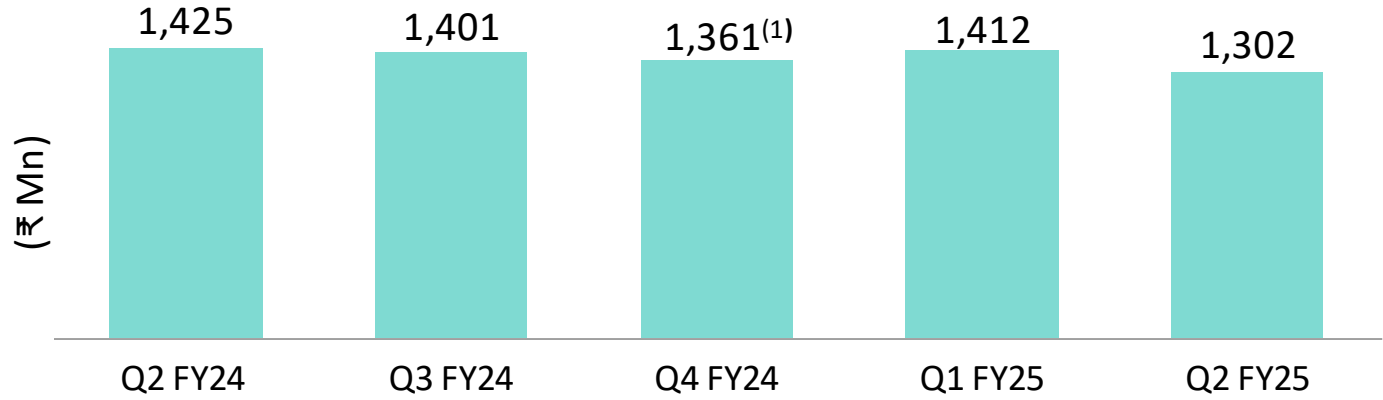


In Q2, we generated ₹ 520 Mn as free cash flow. Our cash collections were spilled over in Oct impacting DSO days and free cash flow



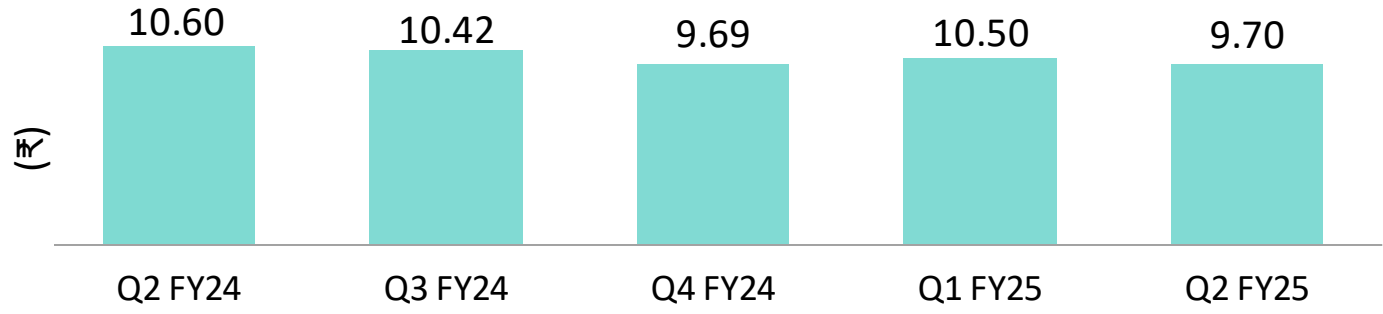
# Profit After Tax & EPS

## Profit After Tax (PAT)



PAT was at ₹ 1,302 Mn in Q2, impacted by lower gross profit generation and increase in indirect cost

## EPS



Effective tax rate for Q2 FY25 is at 19.0%



EPS was at ₹ 9.70 in Q2 FY25

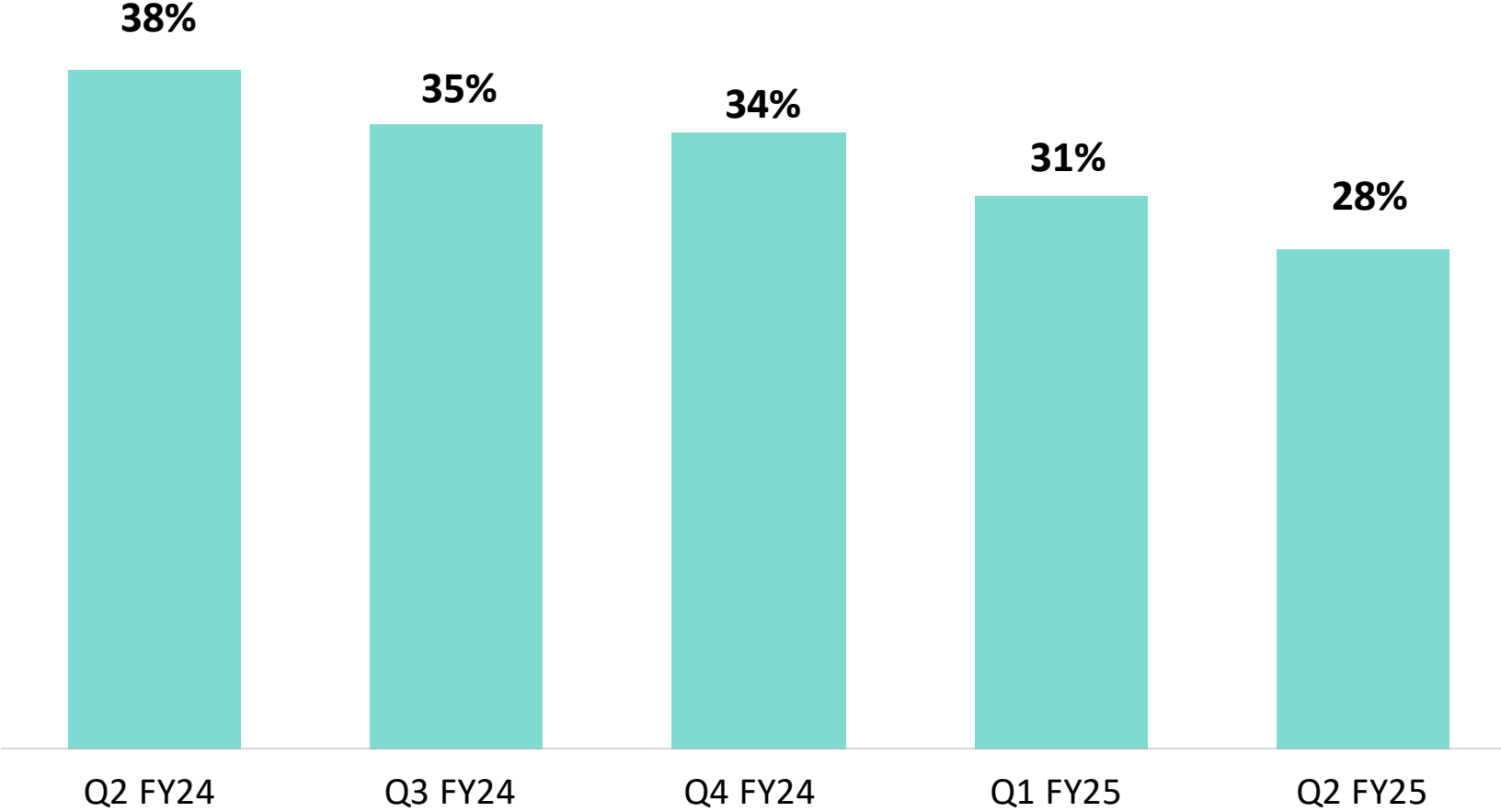
1. We have considered adjusted PAT. Please refer slide no 29 for reconciliation between reported number to adjusted number



# Return on Capital Employed

# 42%

excluding CCE as against  
54% last year

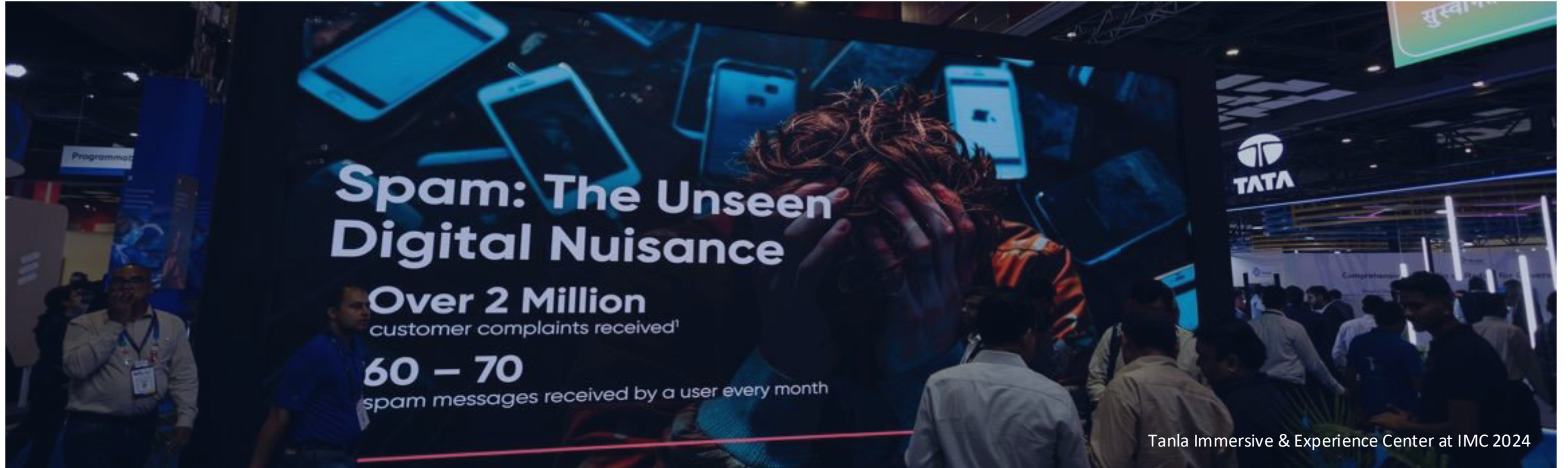


ROCE- Return on capital employed; CCE- Cash & cash equivalents



# Strong Balance Sheet

All numbers are ₹, unless otherwise stated



## 21,076 Mn

Strong Equity and Reserves

## 7,053 Mn

Cash & cash equivalents

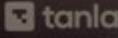
## 42%

ROCE (excluding cash & cash equivalents)

## Debt Free



 tanla

 tanla

Tailored  
connections,  
anytime,  
anywhere

# Annexures



# Profit & Loss

## Q2 FY25



In ₹ Mn, unless otherwise stated	Q2 FY25	Q2FY24	Δ%	Q1 FY25
Revenue from operations (net)	10,007	10,086	(1)	10,022
Cost of services	(7,389)	(7,324)	1	(7,328)
Gross Profit	2,618	2,762	(5)	2,694
Operating Expenses	(864)	(794)	9	(808)
EBITDA	1,754	1,968	(11)	1,886
Depreciation and Amortization	(234)	(226)	4	(228)
EBIT	1,520	1,742	(13)	1,658
Finance Cost	(15)	(18)	(17)	(16)
Other income	102	63	62	96
Profit before taxes	1,607	1,787	(10)	1,739
Tax expenses (including differed taxes)	(305)	(362)	(16)	(327)
Profit after taxes	1,302	1,425	(9)	1,412
Earnings per share	9.70	10.60	(8)	10.50
Weighted average shares outstanding	134.3	134.4		134.4



# Balance Sheet September 30, 2024

In ₹ Mn, unless otherwise stated	Unaudited Sep 30, 2024	Unaudited Jun 30, 2024
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2,281	2,093
Internally developed - Platforms	852	917
Customer Relationships	271	289
Trade name	26	30
Technology	92	99
Non Compete	17	18
Intangible assets under development	1,145	942
Goodwill	2,646	2,646
Right-of-use assets	590	623
Deferred tax assets (net)	405	405
Other non-current assets	435	1,627
Capital work-in-progress	16	158
Financial assets	416	526
Software	217	230
Investment Property	17	17
<b>Total Non-Current Assets</b>	<b>9,426</b>	<b>10,620</b>
<b>Investments</b>	<b>1,553</b>	<b>-</b>
Trade receivables	10,045	9,782
Cash and cash equivalents	5,221	7,190
Bank balances other than cash and cash equivalents	46	44
Other financial assets	5,126	5,260
Other current assets	508	509
<b>Total current assets</b>	<b>22,499</b>	<b>22,785</b>
<b>Total Assets</b>	<b>31,925</b>	<b>33,405</b>

In ₹ Mn, unless otherwise stated	Unaudited Sep 30, 2024	Unaudited Jun 30, 2024
<b>Equity &amp; Liabilities</b>		
<b>Equity share capital</b>	<b>135</b>	<b>134</b>
<b>Other equity</b>	<b>20,941</b>	<b>20,688</b>
<b>Total equity</b>	<b>21,076</b>	<b>20,822</b>
<b>Financial liabilities</b>	<b>-</b>	<b>-</b>
<b>Lease liabilities</b>	<b>597</b>	<b>555</b>
<b>Other financial liabilities</b>	<b>-</b>	<b>-</b>
<b>Provisions</b>	<b>16</b>	<b>17</b>
<b>Other non-current liabilities</b>	<b>8</b>	<b>8</b>
<b>Total non-current Liabilities</b>	<b>621</b>	<b>580</b>
<b>Current liabilities</b>		
<b>Trade payables</b>	<b>6,238</b>	<b>7,397</b>
<b>Lease liabilities</b>	<b>99</b>	<b>168</b>
<b>Other financial liabilities</b>	<b>3,146</b>	<b>2,549</b>
<b>Other current liabilities</b>	<b>341</b>	<b>254</b>
<b>Provisions</b>	<b>83</b>	<b>80</b>
<b>Current tax liabilities (net)</b>	<b>321</b>	<b>1,555</b>
<b>Total current liabilities</b>	<b>10,228</b>	<b>12,003</b>
<b>Total Equity &amp; Liabilities</b>	<b>31,925</b>	<b>33,405</b>





# Condensed Cash flow Q2 FY25



In ₹ Mn, unless otherwise stated	Q2 FY25	Q1 FY25
Cash flow before changes in working capital	1,761	1,901
Changes in working capital	(455)	(1,302)
Cash generated from operations	1,306	599
Taxes	(417)	299
Cash flow from operating activities	889	898
Net investments in tangible and intangible assets	(369)	(155)
Purchase/sale of short-term liquid funds	(1,553)	-
Interest and other income	76	66
Movement in Bank Balances	105	(199)
Cash flow from investing activities	(1,741)	(288)
Proceeds from issue of shares	0	-
Dividend paid	(807)	-
Purchase of shares as part of ESOP trust pool	(285)	0
Interest paid on lease liabilities	(31)	-
Payment on lease liabilities	(11)	(42)
Cash flow from financing activities	(1,134)	(42)
Cash flow for the period	(1,985)	568
Cash and cash equivalents at the beginning of period	7,572	6,671
Forex Fluctuations	17	(5)
Investments in short term liquid funds	1,553	0
Fixed Deposits maturity more than 12months <sup>(1)</sup>	(105)	338
Cash and cash equivalents closing balance	7,053	7,572

1. Cash balance includes fixed deposits with maturity greater than twelve months classified under Non-Current Assets and investments in short term liquid funds

# Free Cash Flow



In ₹ Mn, unless otherwise stated	Q2 FY25	Q2FY24	Δ%	Q1 FY25
Operating cash flow	889	1,601	(46)	898
Capital expenditure	(369)	(292)	17	(154)
Free cash flow	520	1,310	(60)	744
Free cash flow in percent of total revenue	5%	13%	-	7%
Free cash flow as % of PAT	40%	93%	-	53%



# Reconciliation



In ₹ Mn, unless otherwise stated	Q2 FY25	Q1 FY25	Q1 FY24	Q4 FY24
Reported EBITDA	1,754	1,886	1,822	1,604
One-time expense- MWC	-	-	-	273
Adjusted EBITDA	1,754	1,886	1,822	1,877
Adjusted EBIT	1,520	1,658	1,658	1,649
Adjusted PAT	1,302	1,412	1,353	1,361

1. Adjusted PAT is normalized for the post tax impact for 2 items – (i) one-time expenditure of ₹ 273 MN incurred for Mobile World Congress 2024 and (ii) Gain of Rs. 210 MN in Other Income pertaining to write back of liability



Tanla named as a Visionary in the 2024  
Gartner Magic Quadrant™ for CPaaS



# About Us



# Tanla embeds Gen AI across all its platforms

## Wise Albert

Our intelligent core underlying all our products, revolutionizing digital interactions through Gen AI capabilities



**Audience.ai**  
(whom to send)



**Content.ai**  
(what to send)



**Channel & Partner.ai** (how to send)

## ATP



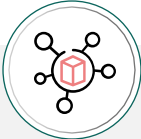
Scam identification and prevention in <50 ms through AI-ML led engines

Semantics engine

Sender reputation

CTA engine

## Trubloq



GenAI to elevate Trubloq's signature experience

**Registration.ai**

- 90%+ time saving in the registration process

**DigiAssets.ai**

- 100% compliance with all regulatory guidelines
- 1 single dashboard for digital asset analytics

## Wisely



Single API-led intelligent platform for omni-channel digital interactions to deliver distinctive impact for enterprises and their users



Single API



End-to-End encryption



Smart routing



Performance analytics



Partner marketplace



SSOT enabled by blockchain



Integrated plugins



Core stack





# We have also successfully addressed several Greenfield opportunities

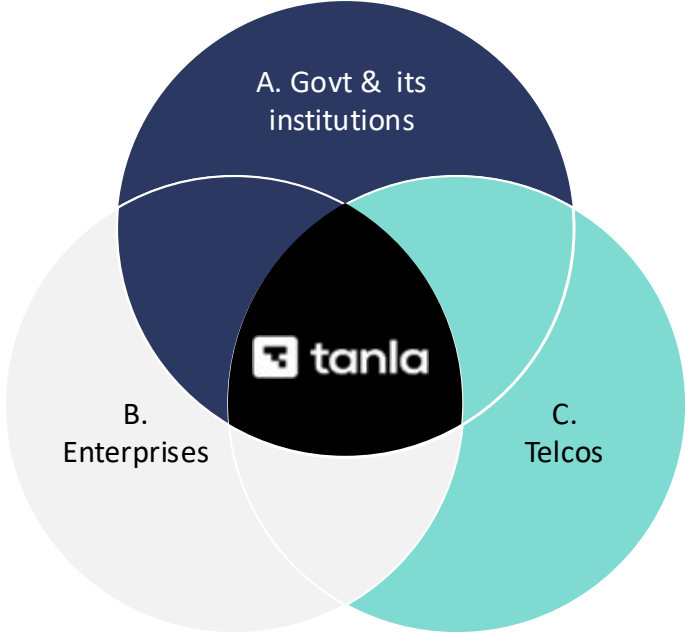
## Trubloq

With **world's 1<sup>st</sup> blockchain-enabled communication** stack. It works with a **consortium of telecom players** and other stakeholders to maintain the leadership position

User	<b>1Bn+</b>	Users touched
	<b>60–80%</b>	Reduction in complaints per Mn SMS from telemarketers
Regulatory	<b>100%</b>	Compliance to address all legal challenges
Business	<b>3/4</b>	Indian telcos served BSNL VI airtel
	<b>100%</b>	Market share in UAE e& du
	<b>50k+</b>	Enterprise partners

## ATP


**First of its kind anti-smishing platform.**



# Our Customers love us in India and beyond

## We are the player of choice in India...

 **~35%**  
CPaaS market share

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

 **Player of choice** in  
India across industries leaders

 **2000+**  
Customers across segments



 **9/10** top **banks** served

 **7/10** top **insurance**

 **8/10** top **financial services**

 **7/10** top **social media**

 **marquee govt. projects**  


## ...and serve global giants in 4 regions

**USA & Europe**

Global Tech giants

**SEA**



**Middle East**



This indicative data on market size has been arrived at basis our internal analysis. This is our assessment and merely indicative in nature and should not be relied upon





# Our Market Leadership in Enterprise Communication (1/2)

## Tech. backed use cases



### Unmatched scale with 35% CPaaS market share

- **5%** increase post ValueFirst acquisition
- **~45%** share in SMS NLD market

### Player of choice across industry

- **2000+** customers across industries
- **8 of Top 10** brands served across banking, Insurance, Retail, E-Comm, Travel & Digital Natives

### Largest government partner

- **Multiple** campaigns supported



## High Customer Stickiness



### 50 of Top 100 accounts > 5 years

- **Double digit growth** in every customer cohort since inception
- **100+ API's** integrations within a single enterprises across different ecosystems

### Customized to serve enterprise needs

- **Deeply integrated**, with all major CRM systems across verticals to enable omnichannel communication
- **10,000** customized APIs to integrate with customers
- **1000+** bank-specific use cases supported

This indicative data on market size has been arrived at basis our internal analysis. This is our assessment and merely indicative in nature and should not be relied upon



# Our Market Leadership in Enterprise Communication (2/2)

## Tech. backed use cases



### AI/ML based solutions developed for a leading bank

- **Impact: 2X** increase in loyalty (offers availed) for the bank

### Context

- **Automated** relevant promotional messages based on user card swipe activity
- In house **ML capabilities** leveraged to trigger targeted offer to users basis transaction amount, location, and card type

## Newer Channels



### Turbo charging our growth

- **100%** YoY growth in Q2 from WhatsApp

### Serving enterprise curated needs

- **Commerce on WhatsApp:** Enabled cab booking over WhatsApp for a seamless consumer journey



## Great Financial Track Record

We continue to deliver over the last five years

All figures in ₹ Mn



**10,040**

Revenues 2019

**~4x**

**39,278**

Revenues 2024



**967**

EBITDA 2019

**~8x**

**7,322**

EBITDA 2024



**298**

PAT 2019

**~18x**

**5,483**

PAT 2024





Thank You

TEJAS NETWORKS

TATA

with  
innovations

Empower  
consumers

भारत