

Investor Presentation

August 2021



TATA COMMUNICATIONS

Index



Business overview 03

Strategic overview 13

Our key stakeholders 18

Performance overview 22

TATA COMMUNICATIONS



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

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®

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)
2021 - 8 years in a row

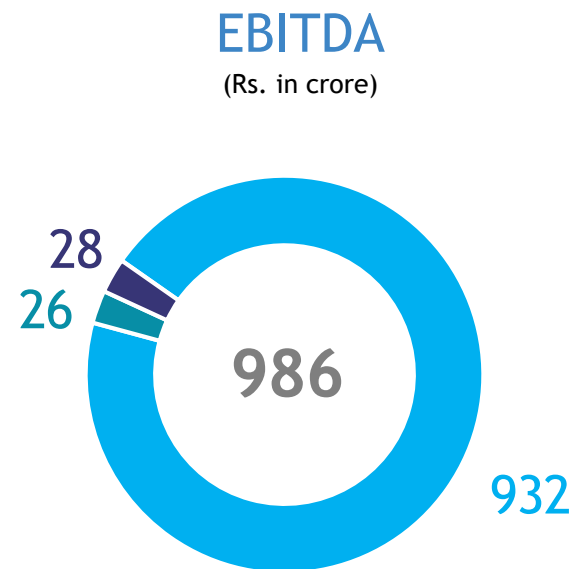
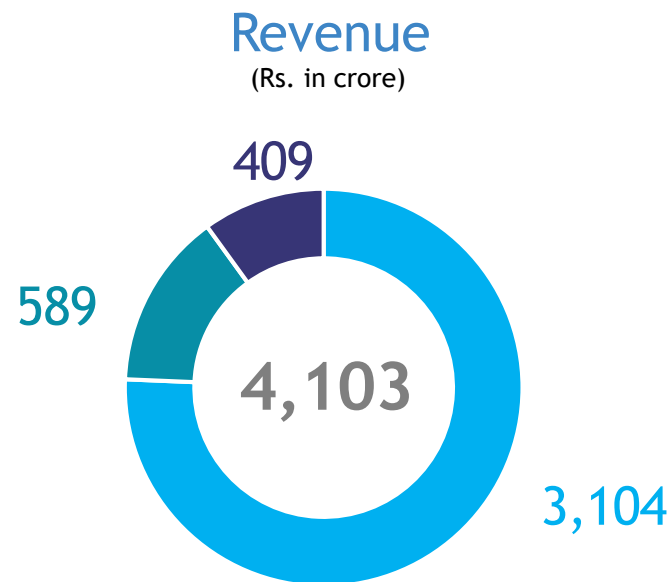
#1

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

Key Performance Indicators

Numbers that matter

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 ■ Others

Rs. 296 crores

PAT

Rs. 381 crores

CAPEX

1.9 times

Net debt/EBITDA

Our evolution

Transformation is in our DNA

2002

Tata group
acquires 25% stake
in VSNL (India)

2005-06

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

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

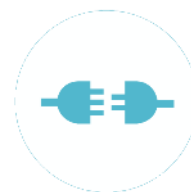
2021

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

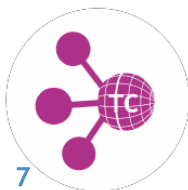
Diversification



Innovation



Inception



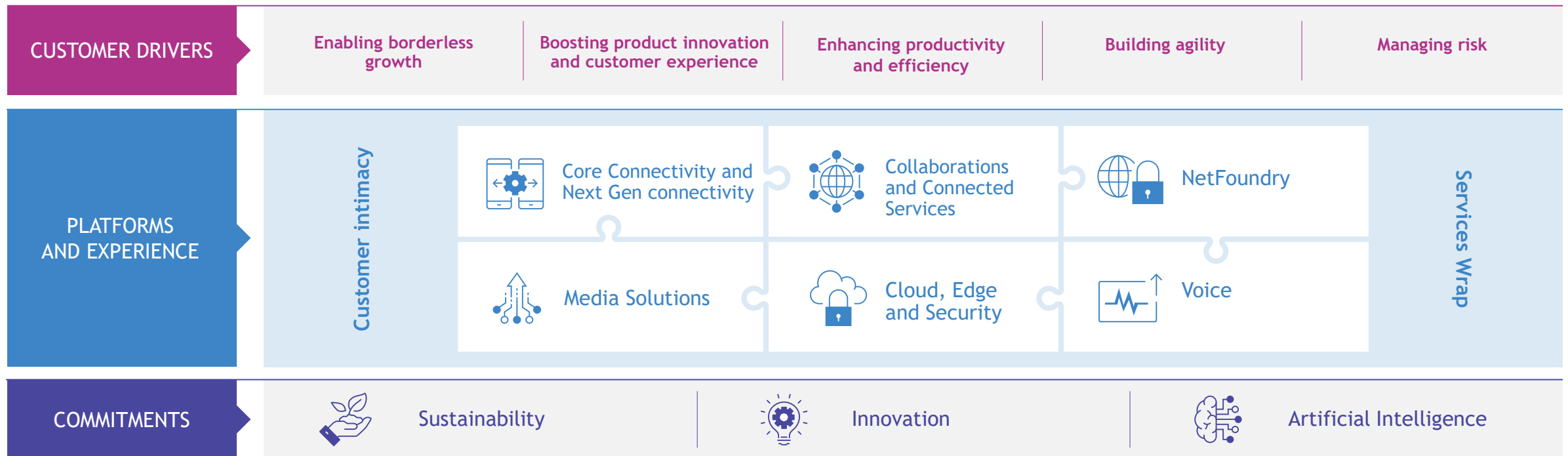
7

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

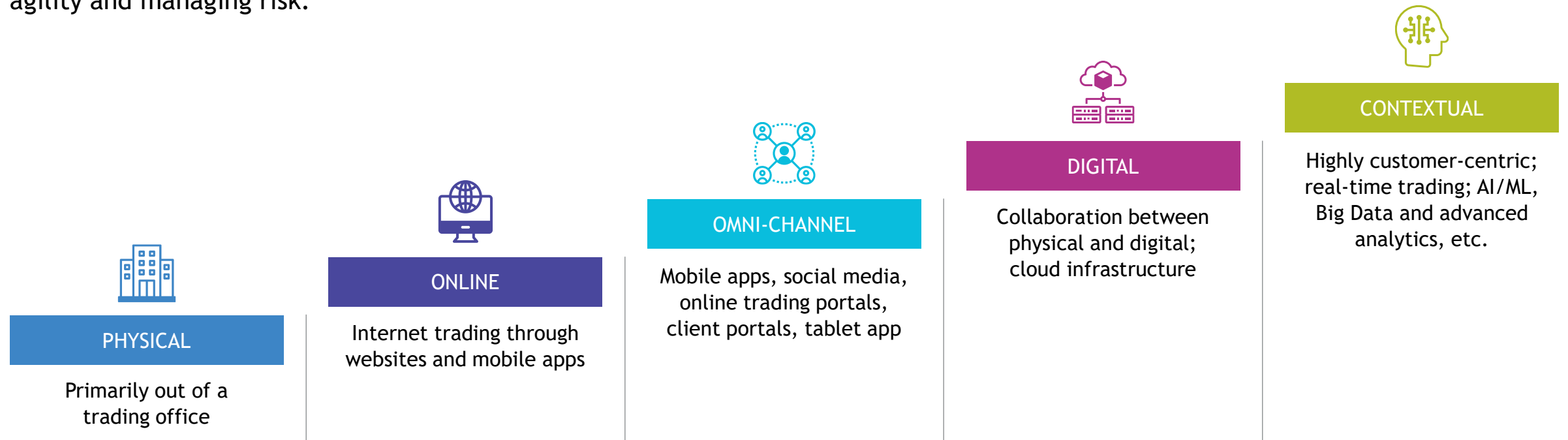
Our DRIVE culture

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



FEDERAL BANK
YOUR PERFECT BANKING PARTNER



Hewlett Packard
Enterprise



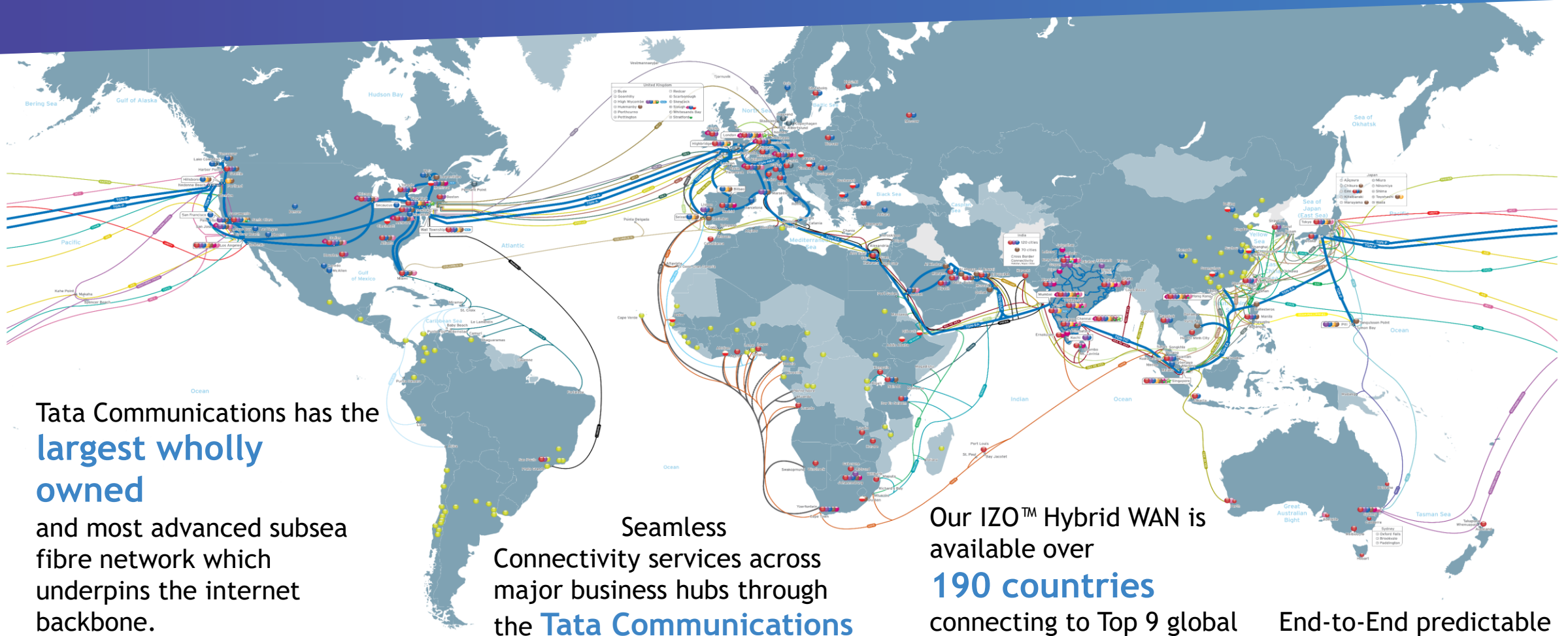
Indiabulls

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') 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 **130 countries**

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

11.2%

Growth of global managed services between 2021 and 2026

(Source: [Mordor Intelligence](#))

Enterprise mobility

5.8 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

45%

Of the IT spending will shift to the cloud by 2024

(Source: [Gartner](#))

Hybrid SDN

60%

Of enterprises will have implemented SD-WAN by 2024

(Source: [Gartner](#))

Cybersecurity awareness

10.1%

CAGR (2020-25) for End-user spend for information security & risk mgmt

(Source: [Gartner](#))

Artificial Intelligence (AI)

30%

of organizations planned to increase AI investments in 2020

(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

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

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!

F R O S T & S U L L I V A N

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 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

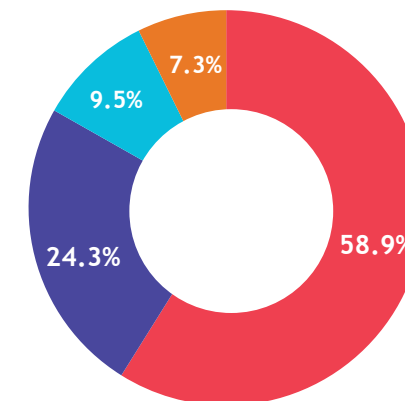
- Reshape portfolio
- Invest in new services/ innovation to differentiate and accelerate growth



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 30 June 2021



TATA Sons

Foreign Institutions

Domestic Institutions

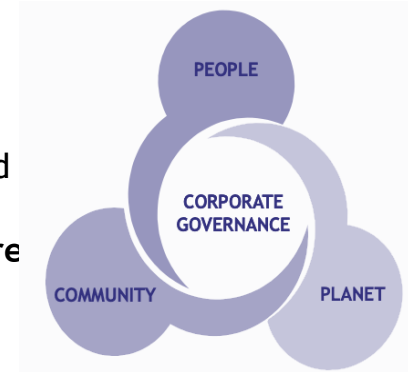
Non-institutional

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, EcoVadis assessment.**



People

H&S Management System (ISO 45001) certification

15 facilities certified. Singapore (2), Canada (3), and India (10).

MULTIPLE BEST EMPLOYER RECOGNITIONS

'Great Place to Work' in India, Hongkong, Canada, US and Australia
Kincentric Best Employers - India 2020 for the fifth year in a row

22% Women in the workforce

Diversity mix among our new hires increased from 19% (FY20) to 27.3% (FY21)

3,722+

CERTIFICATIONS COMPLETED BY EMPLOYEES with minimum 16 hours of effort



Planet

Received 'A-' leadership score in Climate Disclosure Project

for implementing best practices in sustainability for climate change. Score is higher than the global average of 'C'

61% increase

in Renewable Energy sourcing globally compared to FY 2019-20.

21% decrease

in Water consumption w.r.t FY 20 baseline

Environmental Management System (ISO 14000:2015) certification

All major facilities in India certified



Community

4,30,973
LIVES IMPACTED

72% women and girls
51% - affirmative action communities

16 long term projects

Presence across 10 states in India
International presence - Singapore

300+

Touchpoints with investors and analysts

31,013
VOLUNTEERING HOURS

Contributed by 7,572 volunteers to reach 1,99,29 lives

Our People

Our DRIVE culture

Despite 2020 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% (FY2020-21)

Learning via digital mode in Tata Communications Learning Academy

3722 (FY2020-21)

Certifications completed by employees with minimum 16 hours of effort

Total outreach, impacting
2,29,806 lives

which is also a result of community action undertaken by our employees. A total of 4,679 hours were channelised 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, and USA)

- 'Best Workplaces in Asia' for the year 2020 (Hong Kong) - 2nd year in a row
- Best Employers in India for 2020 by Kincentric (erstwhile Aon) - 5th year in a row
- Best Companies for Women in India for 2020 by Working Mother and Avtar - 5th year in a row
- Best Workplaces for Women by Great Place to Work Institute (Canada) in 2020

Performance overview



TATA COMMUNICATIONS

Key financials (Quarterly)

Revenue | EBITDA | FCF

REVENUE*

Q1 FY 22	3,105	589	409	4,103
Q4 FY 21	3,088	558	427	4,073
Q1 FY 21	3,176	799	428	4,403

EBITDA*

Q1 FY 22	932	26	28	986
Q4 FY 21	928	35	52	1,015
Q1 FY 21	955	67	21	1,042

FCF*

Q1 FY 22	601	25	605
Q4 FY 21	603	32	623
Q1 FY 21	652	54	670

*All figures in Rs. crore

FCF = EBITDA less Capex

- Consolidated revenues declined (6.8%) YoY. Data fell (2.2%) due to moderation in COVID related traffic.
- EBITDA declined (5.3%) YoY
- Profit for the quarter was INR 296 crore as compared to INR 258 crore in the last year, witnessing a 15% growth on the back of strong business performance

■ Data ■ Voice ■ Others

Revenue Growth %	QoQ	YoY
Data	↑ 0.6%	↓ (2.2%)
Voice	↑ 5.5%	↓ (26.3%)
Others	↓ (4.3%)	↓ (4.4%)
Consol	↑ 0.7%	↓ (6.8%)

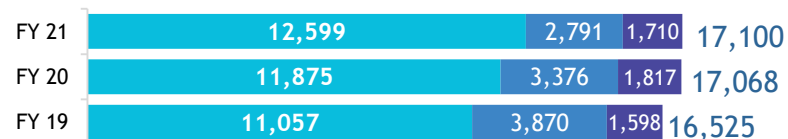
EBITDA Growth %	QoQ	YoY
Data	↑ 0.4%	↓ (2.4%)
Voice	↓ (25.3%)	↓ (60.4%)
Others	↓ (45.9%)	↑ 35.1%
Consol	↓ (2.9%)	↓ (5.3%)

FCF Growth %	QoQ	YoY
Data	↓ (0.5%)	↓ (8%)
Voice	↓ (23.7%)	↓ (54.5%)
Consol	↓ (2.9%)	↓ (9.8%)

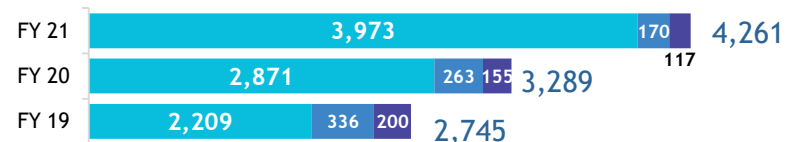
Key financials (Annual)

Revenue | EBITDA | FCF

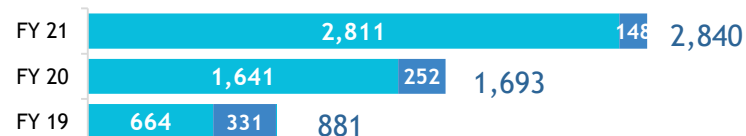
REVENUE*



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 expansion
- Net Income of INR 1,251 Crs for FY21 translated into an EPS of INR 44/share and contributed to the Net worth turning positive.

■ Data ■ Voice ■ Others

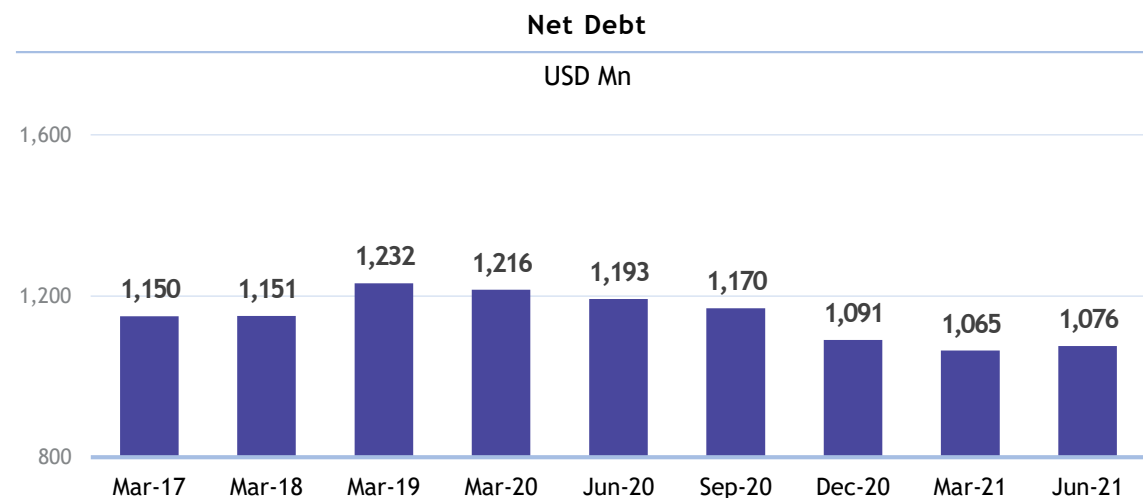
Revenue Growth %	FY 19	FY 20	FY 21
Data	↑ 10.8%	↑ 7.4%	↑ 6.1%
Voice	↓ (27.1%)	↓ (12.8%)	↓ (17.3%)
Others	↑ 7.6%	↑ 13.7%	↓ (5.9%)
Consol	↓ (1.5%)	↑ 3.3%	↑ 0.2%

EBITDA Growth %	FY 19	FY 20	FY 21
Data	↑ 18.9%	↑ 30%	↑ 38.4%
Voice	↓ (3.1%)	↓ (21.6%)	↓ (35.3%)
Others	↓ (4%)	↓ (22.9%)	↓ (24.1%)
Consol	↑ 13.8%	↑ 19.8%	↑ 29.5%

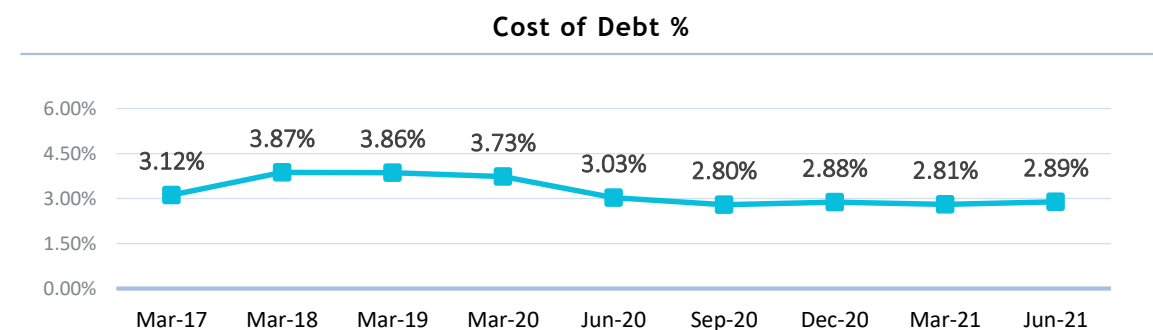
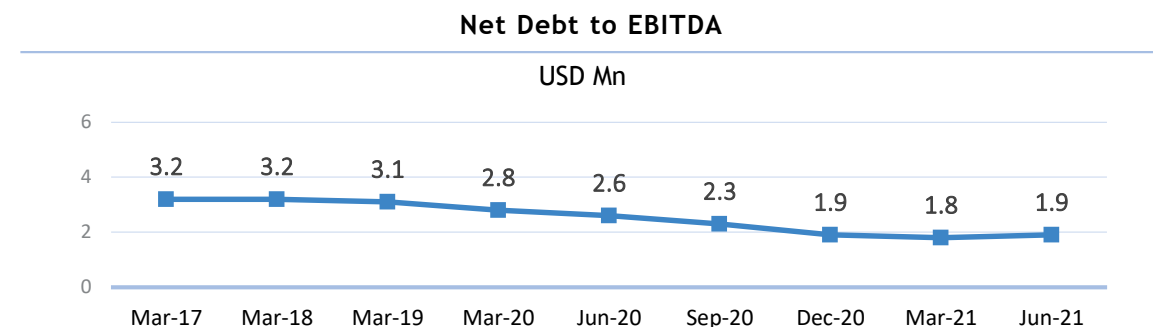
FCF Growth %	FY 19	FY 20	FY 21
Data	↓ (7%)	↑ 147.1%	↑ 71.3%
Voice	↓ (2.1%)	↓ (23.8%)	↓ (41.4%)
Consol	↓ (1.9%)	↑ 92.3%	↑ 67.7%

Key financials (Annual)

Performance Highlights | Net DEBT



- Net debt was at USD 1,076 Mn, an increase of USD 11 Mn over last quarter, due to annual employee bonus pay outs and higher working capital which tends to be elevated at the start of the year
- Average cost of borrowing for Q1 FY22 was 2.89%, an increase of 8 BPS over Q4 FY21

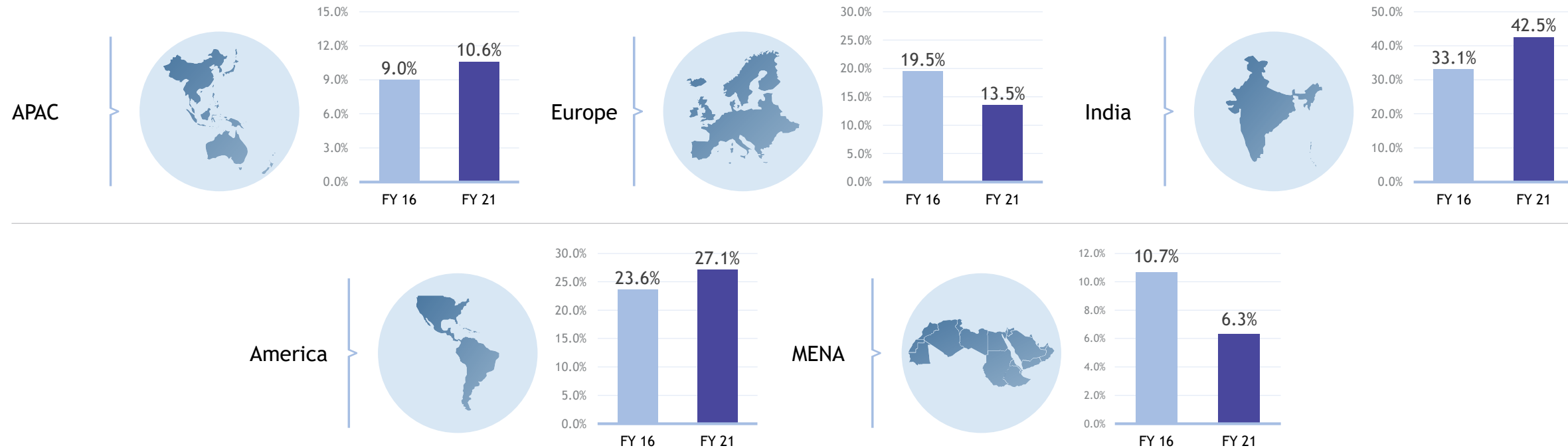


Note: USD-Rs FY17 - 67.07; FY18 - 64.47, FY19 - 69.91; FY20- 70.89; Q1 FY21- 75.88; Q2 FY21- 74.42; Q3 FY21- 73.82; Q4 FY21- 72.89; FY21- 74.25; Q1 FY22- 73.76

Key financials (Annual)

Geographical spread

Gross Revenue Share by Geography -



Concluding remarks

Key reflections

Riding on global Data growth	Rising cloud adoption, demand for Intelligent connectivity and need for engaging customer experience 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	Developing platform play across offerings to create a service-oriented enterprise
<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 5.26 in Q1 FY21 to 5.86 in Q1 FY22</p>	FY21 Dividend of Rs. 14/- share which is 140% of face value of each share, and a payout of 32% of Net Profit	Significant land bank with the company (~740 acres) post transfer of surplus land to HPIL	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.	



Thank you

www.tatacommunications.com

Contact for investor queries:

investor.relations@tatacommunications.com

©2021 Tata Communications. All rights reserved.
TATA COMMUNICATIONS and TATA are trademarks of Tata Sons Private Limited.

TATA COMMUNICATIONS