

INVESTOR PRESENTATION

3RD QUARTER - FY2020



SAFE HARBOUR

Some of the statements herein constitute “**forward-looking statements**” that do not directly or exclusively relate to historical facts. These forward-looking statements reflect our intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside our control. Important factors that could cause actual results to differ materially from the expectations expressed or implied in the forward-looking statements include known and unknown risks. Because actual results could differ materially from our intentions, plans, expectations, assumptions and beliefs about the future, you are urged to view all forward-looking statements contained herein with caution.

Tata communications does not undertake any obligation to update or revise forward looking statements, whether as a result of new information, future events or otherwise.

AGENDA

Business overview

- ➔ Growth Story
- ➔ Global Reach
- ➔ Our Customers
- ➔ Market Overview
- ➔ Products and Services
- ➔ Expanding Addressable Market
- ➔ Investing in the future
- ➔ Awards and Recognitions

Financial overview

- ➔ Financial performance highlights
- ➔ Portfolio Mix
- ➔ Geography-wise distribution
- ➔ Investment Thesis

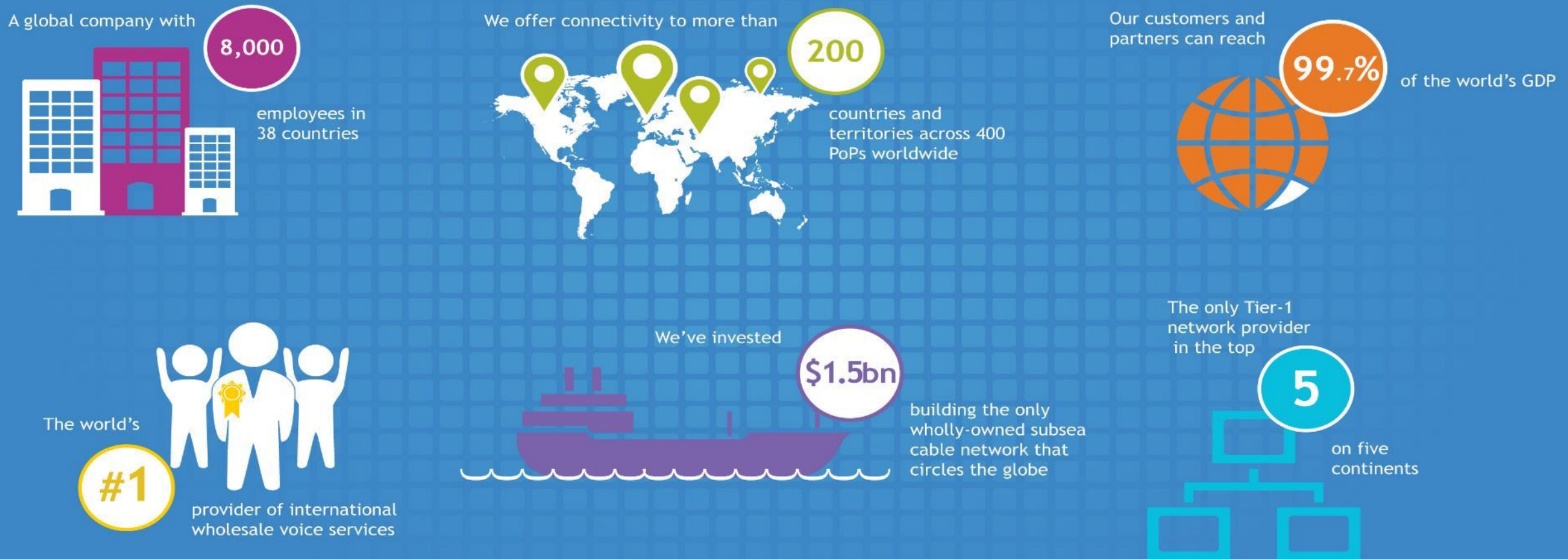


BUSINESS OVERVIEW



DELIVERING A NEW WORLD OF COMMUNICATIONS™

Powering the platform economy, the internet and globalisation



GROWTH STORY

Transforming from an INDIAN PSU to a Digital enablement player

Transformation

Growth

Innovation



2002

Tata Group **acquires** stake in VSNL



2008

VSNL, VSNL International, CIPRIS, Tata Indicom Enterprise BU, Teleglobe and Tyco **unite** as Tata Communications LTD



2010

Launch of Cloud Services, and Next Generation Ethernet Network



2012

Official **connectivity partnership** with F1®



2014

Partnered with Salesforce to interconnect businesses to the cloud

Signed first UK advertising sponsorship deal with the Heathrow Express



2015

Joined forces with Google, Microsoft Azure and AWS to deliver **cloud enablement platform**



2016-19

#1 International Wholesale Voice

#1 India Large Enterprise **Leader** in Global Network Services (Gartner) - 6th Year in a row

Exited Neotel and Data Center - 2017

Launched MOVE, and NetFoundry

GLOBAL REACH - PROVIDING CONNECTIVITY ACROSS THE WORLD

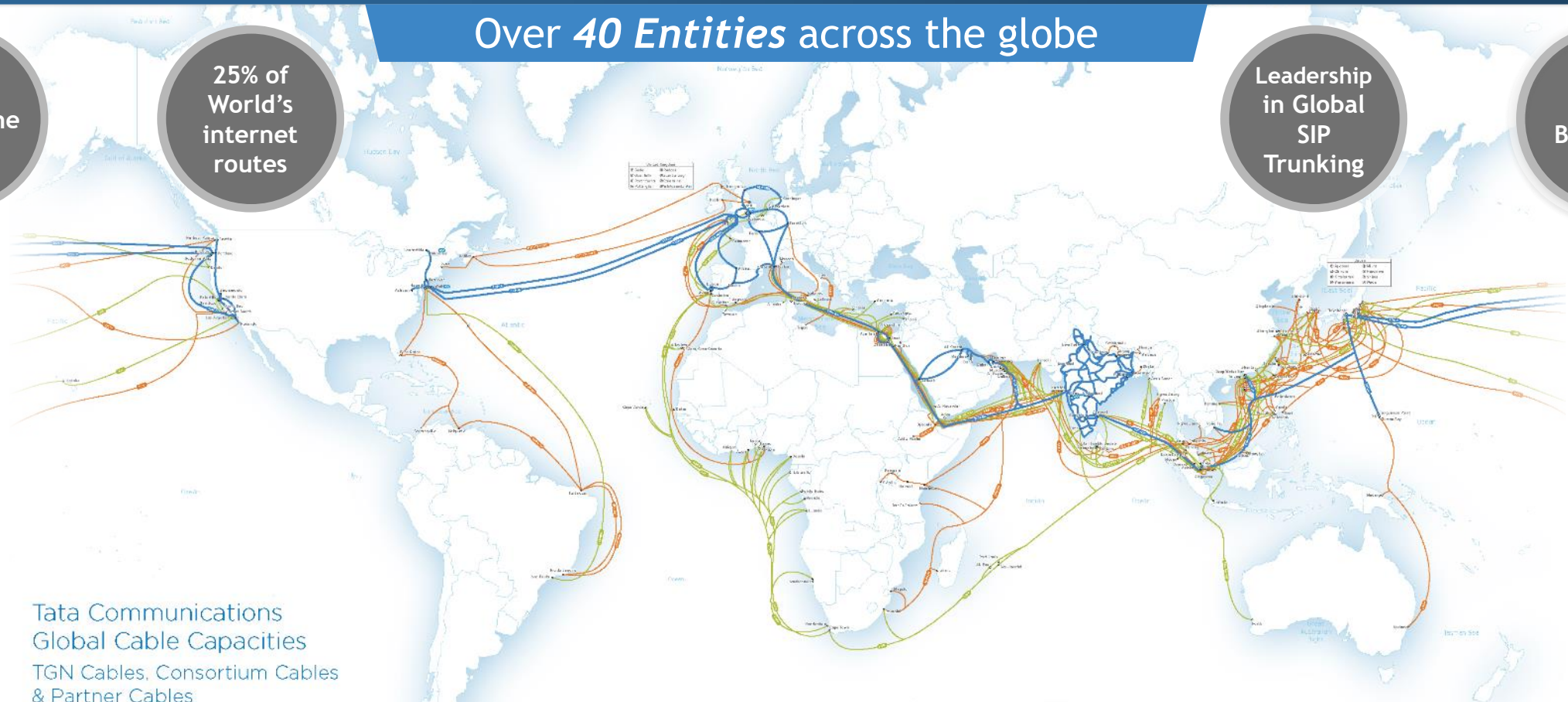
Over 40 Entities across the globe

“Ring Around the World”

25% of World's internet routes

Leadership in Global SIP Trunking

Global Backbone



Tata Communications
Global Cable Capacities
TGN Cables, Consortium Cables
& Partner Cables

— TGN Cables
TGN-Atlantic
TGN-Eurasia
TGN-Gulf
TGN-Intra Asia
TGN-NER
TGN-Pacific
TGN-TIC
TGN-WER
TGN-India NLD

— Consortium Cables
APCN-2
BBG
FASTER
IMEWE
JUS
SAFE/SAT3
SEABRAS-1
SEA ME WE3
SEA ME WE4
WACS

— Partner Cables
AAE-1
APG
ASE
C2C/EAC
EIG
FEA
FNAL
GLOBENET
GTT ATLANTIC
I2I

MAIN ONE
PC-1
PIPE(PPC-1)
SEACOM
SEA ME WE5

SJC
TEAMS
UNITY

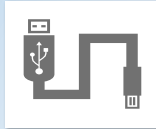
OUR CUSTOMERS



Manufacturing



E-Commerce



IT/ITES



Services



Technology



Banking /
Financial



Media /
Entertainment



Healthcare/
Pharmaceutical



Service
Provider



60% of
S&P 500



66% of
Fortune
500



~2,000
Service
Provider
Customers



~ 7,000
Customers
Globally:

~5,000
Enterprise
customers

69% of
PWC
100



Hindustan Unilever Limited

AIRFRANCE KLM

Panasonic

41% of
FTSE
350

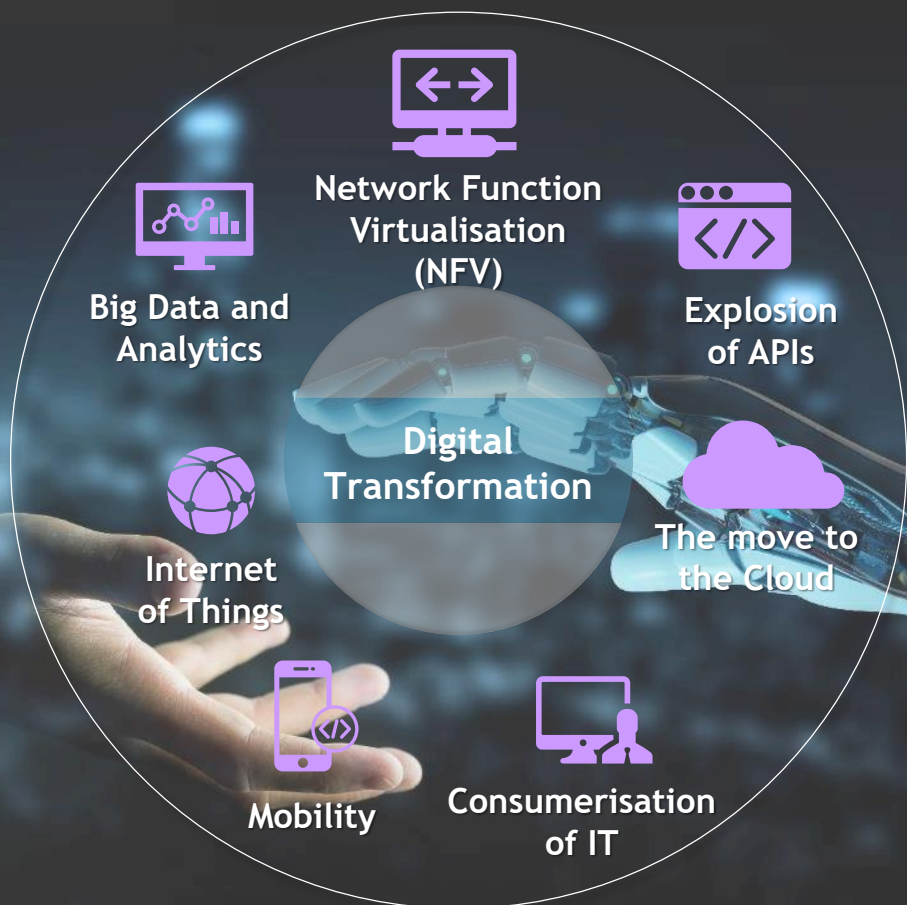


SOME KEY CUSTOMERS



MARKET OVERVIEW

Technology is a game changer



70% of large and mid-sized enterprises are likely to rework their networking setups over the next three years



37% of IT budgets are spent on cloud and cloud-related services



4.4 million IT jobs created globally to support big data in 2015



56% of executives purchase IT products on smartphone or tablet



92% of digital disrupters are leveraging APIs for mobile app development



By 2020, 40% of all data will come from sensors



31% of companies don't know how many of their employees work internationally each year

STAGES OF DIGITAL MATURITY

TATA Communications offers solutions for each stage



CONTEXTUAL

- Highly customer centric
- Real time faster trading
- Machine Learning & Artificial Intelligence
- Big Data and Advanced Analytics
- Robo-advisors
- Chat bots



DIGITAL

- Digital trading experience
- Online co-exists with physical office outlet
- Ecosystem collaboration
- Cloud Infrastructure



OMNI-CHANNEL

- Mobile app
- Social Media
- Online trading portals
- Client portals
- Tablet app



ONLINE

- Internet trading leads over mobile
- Website preferred over mobile app



PHYSICAL

- Trading office is primary channel

Access trading services and information from anywhere

Enterprise collaboration and digital access for multi-channel reach

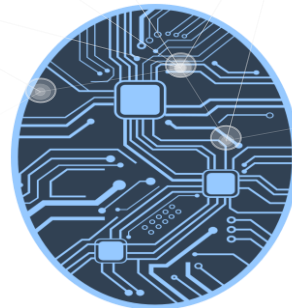
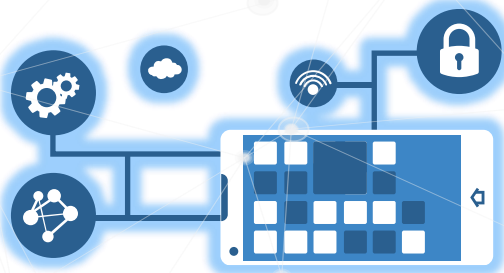
Differentiated customer experience through personalisation

A TRULY DIGITAL BUSINESS...

Enables collaboration
across employees,
partners, and the total
supply chain

Effectively deploys
artificial intelligence
and analytics

Is developing with an
intelligent network,
intuitive collaboration
and borderless growth



BUSINESS THEMES ENABLING DIGITAL TRANSFORMATION



Borderless growth



Productivity and efficiency



Customer experience and engagement



Managing business risk



Cloud and data centre

Connecting businesses to **8** main cloud platforms in **20** locations across **3** continents

Connecting all major cloud services providers globally.



Business collaboration

Relationships with more than **1600** carriers worldwide, to ensure state-of-the-art communications and collaboration

End-to-end global managed services and support



Managed security

Providing **24x7x365** proactive monitoring of security devices for over **700** customers

One of the largest cloud-based DDoS mitigation and scrubbing services with **17** scrubbing farms globally



Network

Operates the **largest** wholly-owned and most advanced subsea fibre network

Carrying around **30%** of the world's internet routes



Mobility

Provides access to pervasive cellular connectivity with over **600** mobile networks across **190+** countries



Voice

No. 1 in wholesale voice globally



Media

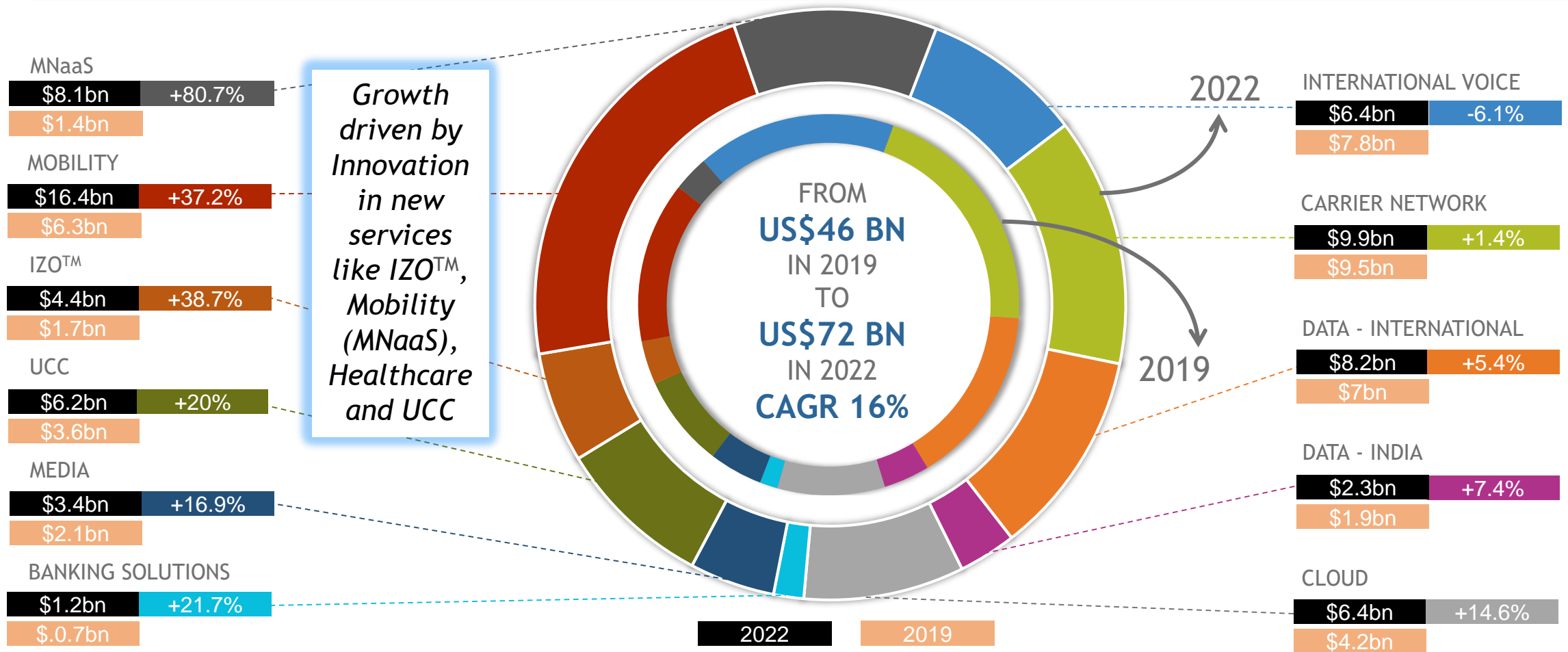
Global network that can transfer **1TB** data/second for HD video without buffering

Video network that reaches **300** media hotspots globally

POWERED BY OUR PLATFORMS

DELIVERED AND ASSURED BY OUR SERVICE TEAMS

OUT OF A \$1.1 TN TELECOM MARKET, WE ADDRESS ~\$46 BN MARKET, WHICH HAS EXPANDED...



*Data - Intl Connectivity includes ILL, VPN, Ethernet, CDN, IPT

^ IZO™ includes market for Enterprise Internet (excl. India) + Domestic VPN (excl. India)

INNOVATING TOGETHER TO CREATE INNOVATIVE BUSINESS SOLUTIONS

Helping consumers remain agile, adaptable, and responsive

Internal
Innovation

Crowdsourcing ideas from 8,500 strong workforce and incubate internal start-ups for go to market



New business units e.g. IoT in India

External
Innovation

Start-up scouting in partnership with innovation partners to garner ideas for new business creation



New product development in partnership with start-ups



Northgate Telecom Innovation Fund



Cloud App Security



Cloud SDN



Artificial Intelligence and security



Cloud-managed SD-WAN



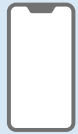
Mobile Virtual Network Enabler



Investments in disruptive technologies like Sentient AI

INVESTING FOR THE FUTURE

MOVE is 3 Products built on the Tata Global Network



SIM CONNECT

Global Mobile Connectivity for Humans - Providing Global Visibility, Security and Control to MNCs



IoT CONNECT

Global Connectivity for Machines and Things - Fully Programmable Global IoT connectivity and services



MOBILE NETWORK ENABLEMENT

MNOs can leverage our MVNE “platform as a Service” and launch sophisticated local or global MVNOs rapidly



Other Innovative Products in our Portfolio



Mobile customer engagement

- Mobile Messaging Exchange
- SMS Firewall
- API Suite
- Mobile Local Number Services
- Sponsored Data Exchange



LoRa LP-WAN (Low Power, Long Range Network)

- IOT infrastructure and developer ecosystem in India
- Based on LoRa network

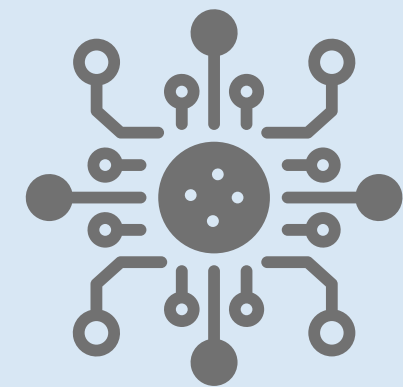


Net foundry



Digital Transformation

Revamping systems and processes to enhance long term productivity and enrich customer experience



THIRD PARTY ENDORSEMENTS, AWARDS AND RECOGNITION

Continuous improvement

India's largest corporations:
Tata Communications at #68

Transparency International, a global civil society organisation, conducted research into the public reporting practices of 100 emerging market companies based in 16 countries in 2016

Tata Communications ranks #2
in the 'Transparency in Corporate Report'

8 page feature story on the Leadership Profile of
Tata Communications in the December edition of
Fortune India

<http://fortuneindia.com/2016/december/the-importance-of-being-global-1.10468>



Frost & Sullivan India ICT Awards:

- Enterprise Data Service Provider of the Year (10th Year in a row)
- Enterprise Telecom Service Provider of the Year - Large Enterprises (4th Year in a row)
- IoT New Product/Service Innovation Award (2nd Year in a row)
- Third Party Managed Hybrid Cloud Provider of the Year (first time winner)
- SDWAN (Software-defined WAN) New Product/Service Innovation Award (first time winner)
- Conferencing Service Provider of the Year

GREAT PLACE TO WORK GLOBALLY

AON
BEST EMPLOYER

INDIA
2018 | 2017 | 2016

HONG KONG
2018 | 2017



INDIA
2019 | 2018 | 2017 | 2016

HONG KONG
2018 | 2019

CANADA
2018

SINGAPORE
2018 | 2017

GR. CHINA
2018



HONG KONG
Best Small and Medium
Workplaces (No 10)
2019



INDIA
2018 | 2017

POSITIONED IN THE LEADERS' QUADRANT

Tata Communications Positioned as a Leader in the 2019 Gartner Magic Quadrant for Network Services, Global - 6 years in a row

Ability to Execute

Gartner evaluates providers on the quality and efficacy of the processes, systems, methods or procedures that enable IT provider performance to be competitive, efficient and effective; and to positively impact revenue, retention and reputation within Gartner's view of the market. Our emphasis is on a vendor's service quality, pricing and track record. These elements are particularly important for global networks because the issues of infrastructure, language and culture are more challenging than if applicable to only one country.

Completeness of Vision

Gartner evaluates providers on their ability to convincingly articulate logical statements. This includes current and future market direction, innovation, customer needs and competitive forces, and how well they map to Gartner's view of the market. Visionary providers should have a clearly articulated strategy in evolving areas of enterprise networking, including, but not limited to, networking for cloud services, SD-WAN, SDN, NFV and vCPE. The portfolio should be broad enough to satisfy the evolving requirements of most enterprises, not just a specific vertical industry or customer size.

Figure 1. Magic Quadrant for Network Services, Global



Source: Gartner (February 2019)

Latest reprint link: <http://www.gartner.com/reprints/tata-communications-international-pte--l?id=1-6AM1UID&ct=190228&st=sb>

Source: Gartner, Inc. "Magic Quadrant for Network Services, Global" by Neil Rickard, Bjarne Munch, Danellie Young, February 25, 2019

This graphic was published by Gartner, Inc. as part of a larger research document and should be evaluated in the context of the entire document. The Gartner document is available upon request from Tata Communications. Gartner does not endorse any vendor, product or service depicted in its research publications, and does not advise technology users to select only those vendors with the highest ratings or other designation. Gartner research publications consist of the opinions of Gartner's research organization and should not be construed as statements of fact. Gartner disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.

SHAREHOLDER VALUE CREATION

Focus on maximising long term intrinsic value for shareholders

Drive Capital Efficiency

- Recalibrate Investments
- Co-create with partners
- Strong discipline and governance around capital allocation and expenditure

Improve Margin Profile

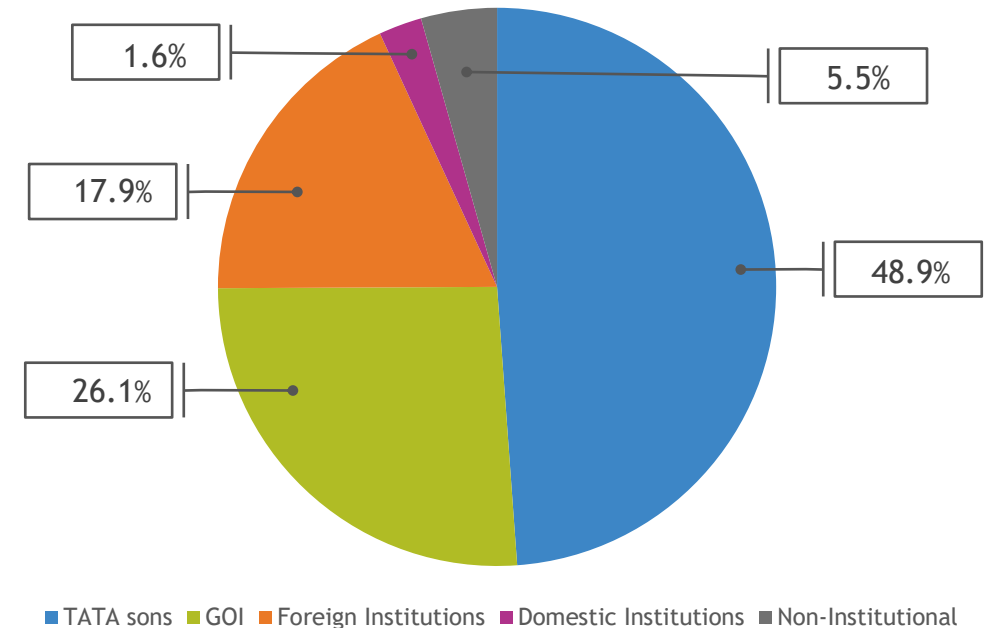
- Improve operating efficiency and drive operating leverage
- Accelerate growth in high margin data segment and new services

Invest for Sustainable Long-Term Growth

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

Create Financial and Strategic Flexibility

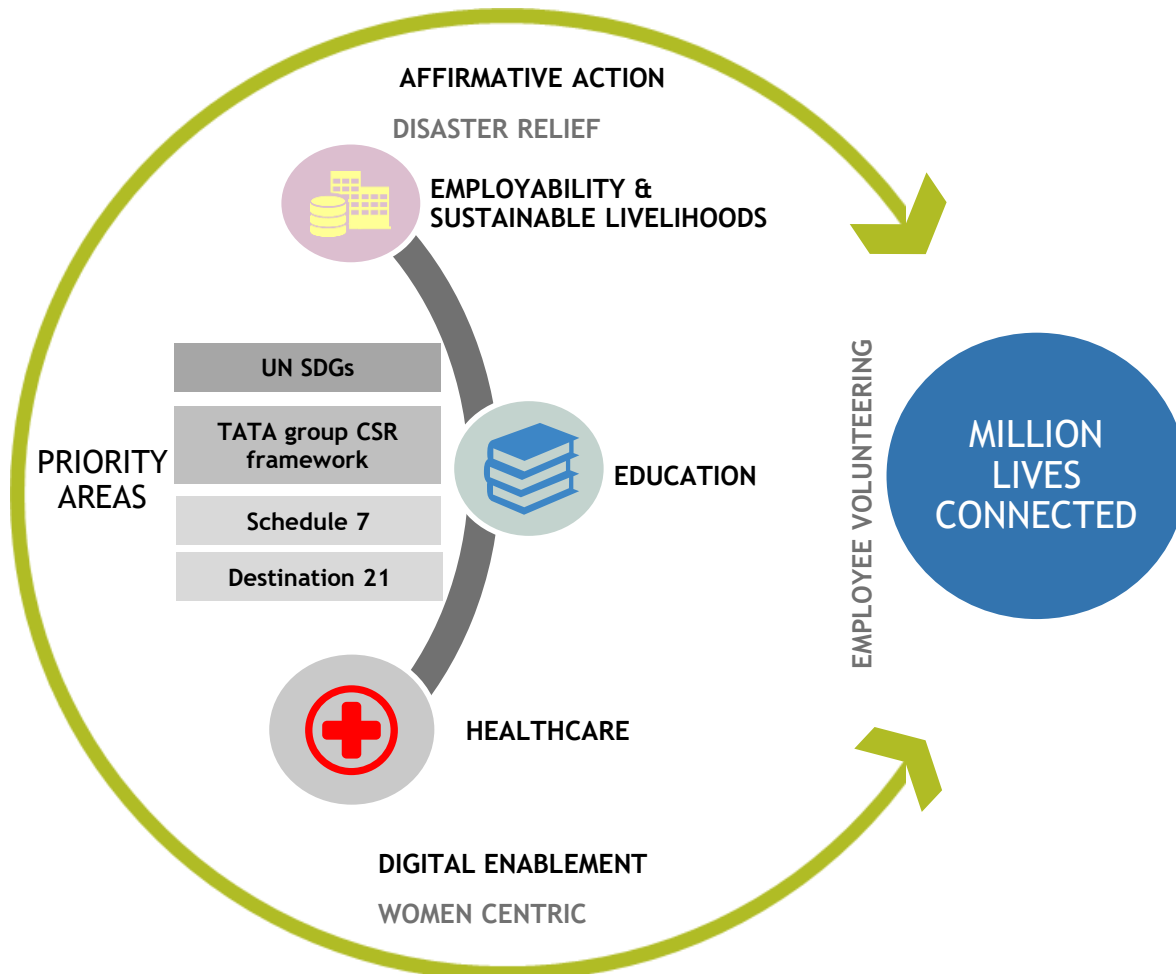
- Key priority is to generate free cash flow and deleverage balance sheet
- Pursuit of opportunities to unlock intrinsic value
- Rationalise businesses with sub-par return profiles



Shareholding pattern as of
31 December 2019

CORPORATE SOCIAL RESPONSIBILITY

Creating empowered and connected societies for sustainable development through next practices

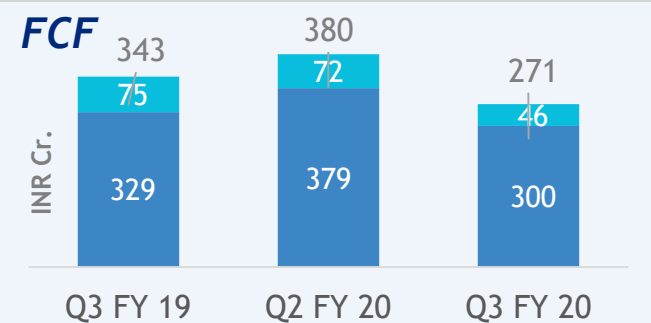
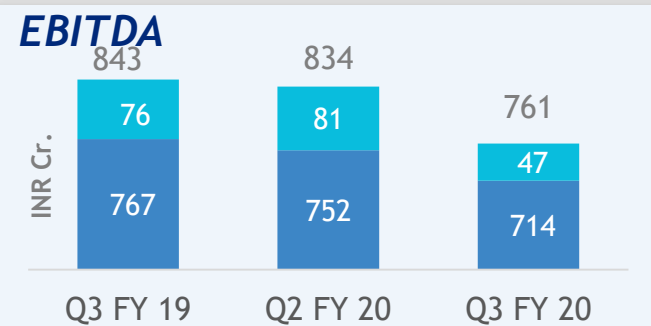
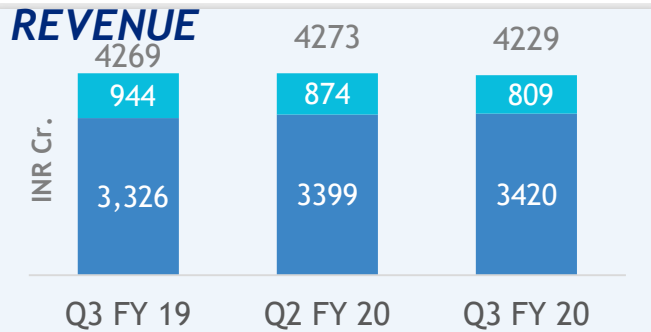


- Total outreach in the last 3 years is 1.6 lakh directly and indirectly. Young girls and women from underserved communities comprise 62 % of the total outreach.
- 11 long term projects are being implemented across 9 states in India, namely Maharashtra, Kerala, Telangana, Delhi, Odisha, Jharkhand, Karnataka, Assam and Tamil Nadu. Tata Trusts is the most significant implementation partner.
- 70 % of the total workforce has contributed 1.47 lakh hours to community action in the last 3 years, making it a best-in-class record in employee volunteering in the industry.

FINANCIAL PERFORMANCE



PERFORMANCE HIGHLIGHTS | REVENUE, EBITDA AND FCF | QUARTERLY



- Data business continues to drive growth, despite Q3 being seasonally weak quarter
- Consolidated revenue declined by 1.0% both sequentially and YoY; Q3 FY19 had one-time benefit of AFA and one-time exceptional expense, normalised for this adjustment, revenue grew by 1.2% YoY
- EBITDA margin at 18%, and Consolidated Normalized EBITDA grew by 20.3% YoY
- PAT came in at INR 59 Cr vs INR 54 Cr PAT in last quarter

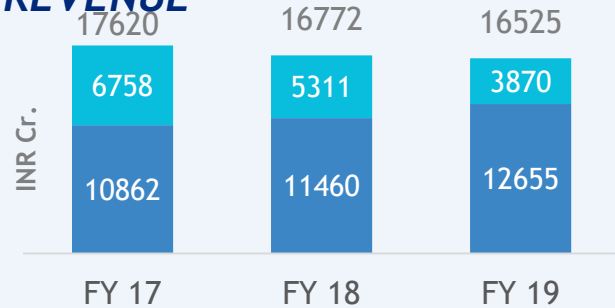
● Data

● Voice

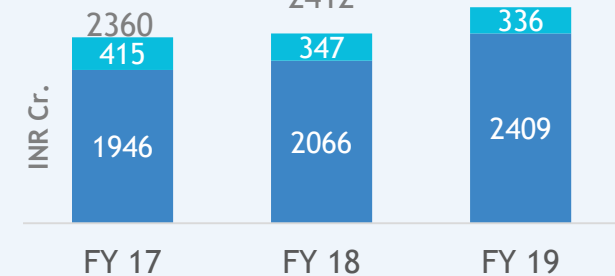
Revenue Growth %	YoY	QoQ
Data	↑ 2.8%	↑ 0.6%
Voice	↓ (14.3%)	↓ (7.5%)
Core	↓ (1.0%)	↓ (1.0%)
EBITDA Growth %	YoY	QoQ
Data	↓ (6.9%)	↓ (5.2%)
Voice	↓ (37.8%)	↓ (41.9%)
Core	↓ (9.7%)	↓ (8.7%)
FCF Growth %	YoY	QoQ
Data	↓ (8.8%)	↓ (20.9%)
Voice	↓ (38.5%)	↓ (36.1%)
Core	↓ (20.9%)	↓ (28.6%)

PERFORMANCE HIGHLIGHTS | REVENUE, EBITDA AND FCF | ANNUAL

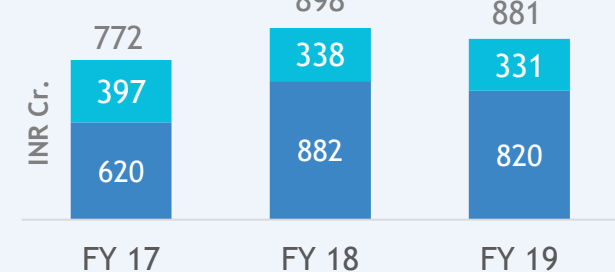
REVENUE



EBITDA



FCF



- Consistent strong growth in Data Business led by Growth & Innovation Services
- Data business growth is compensating for the decline in Voice business
- Shift towards more profitable data business leading to EBITDA growth and margin expansion
- Growth Services EBITDA has seen positive swing, leading to higher profitability
- Voice business continues to generate healthy cash flow despite decline in revenue

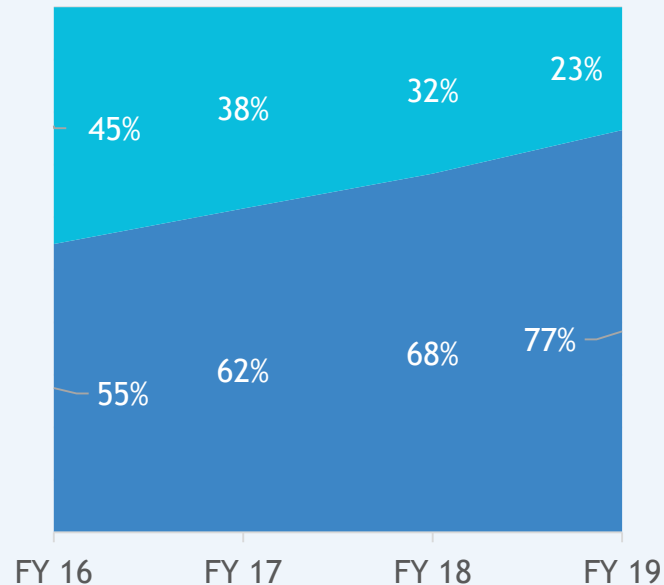
● Data

● Voice

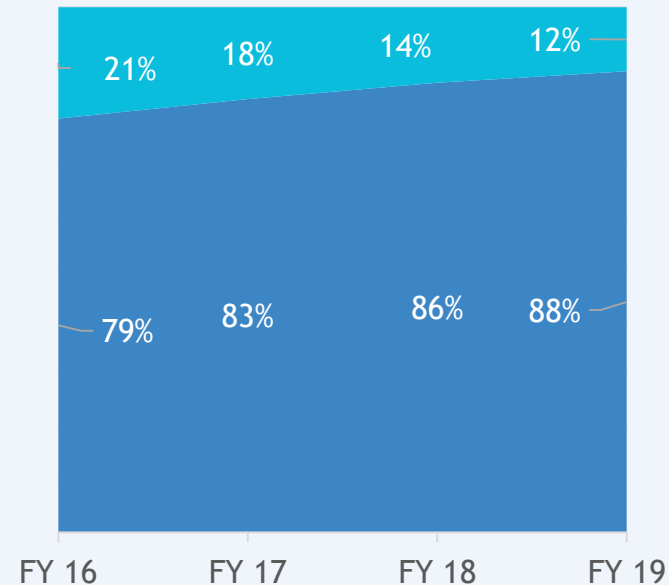
Revenue Growth %	FY17	FY18	FY19
Data	↑ 10.7%	↑ 5.5%	↑ 10.4%
Voice	↓ (16.1%)	↓ (21.4%)	↓ (27.1%)
Core	↓ (1.4%)	↓ (4.8%)	↓ (1.5%)
EBITDA Growth %	FY17	FY18	FY19
Data	↑ 7%	↑ 6.2%	↑ 16.6%
Voice	↓ (15.6%)	↓ (16.3%)	↓ (3.1%)
Core	↑ 2.2%	↑ 2.2%	↑ 13.8%
FCF Growth %	FY17	FY18	FY19
Data	↑ 38.1%	↑ 42.2%	↓ (7%)
Voice	↓ (14.5%)	↓ (14.9%)	↓ (2.1%)
Core	↑ 15%	↑ 16.2%	↓ (1.9%)

PERFORMANCE HIGHLIGHTS | PORTFOLIO MIX

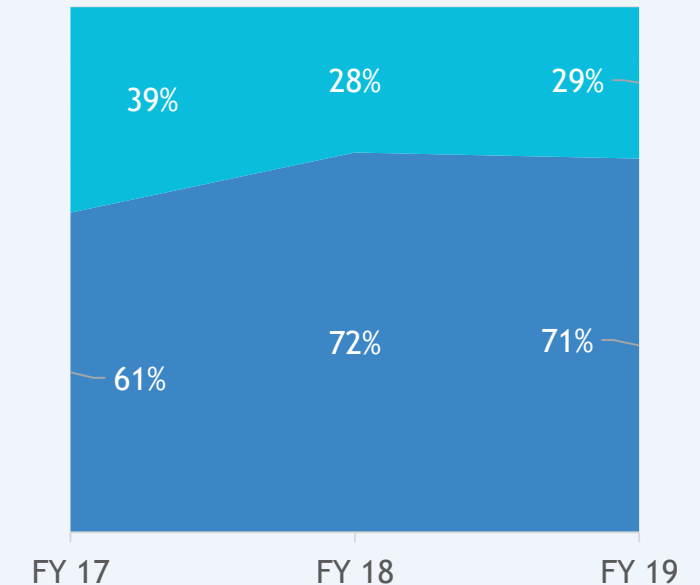
Gross revenue mix



EBITDA mix



Operating free cash flow mix

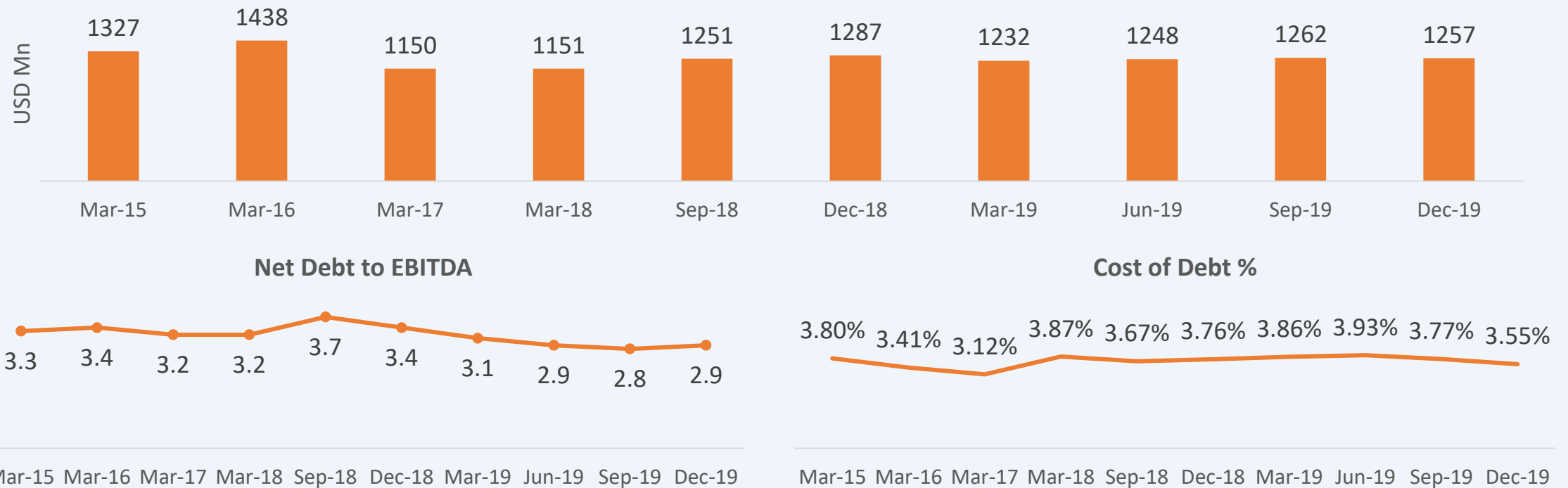


● Data ● Voice

- 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
- Traditional Connectivity services is our mainstay, and represents a majority portion of both our Revenue and EBITDA
- However, our investment in Growth & Innovation Services will drive the business in the future, share of Growth services is steadily increasing

Note: USD-INR: FY15 - 61.13; FY16 - 65.44; FY17 - 67.07; FY18 - 64.47, FY19 - 69.9; Q1FY18 - 64.48; Q2FY18 - 64.30; Q3FY18 - 64.77; Q4FY18 - 64.35; Q1FY19 - 66.94; Q2 FY19 - 70.10; Q3 FY19 - 72.13, Q4 FY19 - 70.47; Q1 FY20 - 69.6; Q2 FY20 - 70.4; Q3 FY20- 71.24 FY15, FY16 are reported numbers, and include Data centre business







PERFORMANCE HIGHLIGHTS | NET DEBT



- Net debt was at USD 1,257 Mn, a decrease of USD 5 Mn over last quarter, due to higher cash flows from operations
- Average cost of borrowing for Q2 was 3.55%, a decrease of 22 BPS over Q2 FY20 due to movement of average LIBOR from 2.20% in Q2 to 1.93% in Q3

Note: USD-INR: FY15 - 61.13; FY16 - 65.44; FY17 - 67.07; FY18 - 64.47, FY19 - 69.9; Q1FY18 - 64.48; Q2FY18 - 64.30; Q3FY18 - 64.77; Q4FY18 - 64.35; Q1FY19 - 66.94; Q2 FY19 - 70.10; Q3 FY19 - 72.13, Q4 FY19 - 70.47; Q1 FY20 - 69.6; Q2 FY20 - 70.4; Q3 FY20- 71.24 FY15, FY16 are reported numbers, and include Data centre business

PERFORMANCE HIGHLIGHTS | GEO-WISE CONTRIBUTION

Gross Revenue Share by Geography -		FY15	FY19
	APAC	8.7%	10.7%
	Europe	24.6%	14.6%
	India	30.6%	38.1%
	America	22.5%	25.6%
	MENA	8.6%	7.7%
	Global	5.0%	3.3%

KEY TAKE AWAY

- Riding on global data growth

- Digital Transformation and Cloud adoption to drive the business growth

- Transformation driving demand for hosting, SD WAN and network virtualisation services

- Positioned for the first time by Gartner in its 2017 Magic Quadrant for Managed Hybrid Cloud Hosting, Asia/Pacific as a niche player

- Positioned as “Leader” in Gartner magic quadrant for network services, global for 6th consecutive year.

- Digital push through partnerships

 - Partnership with Microsoft for Connected Cars

- The revamped GTM strategy has started to show positive results with an improvement both in funnel adds as well as in closed sales. Product penetration ratio (which is the number of products sold to each customer) of Top 300 customer has improved from 5.27 in Q3 FY19 to 5.47 in Q3 FY20.

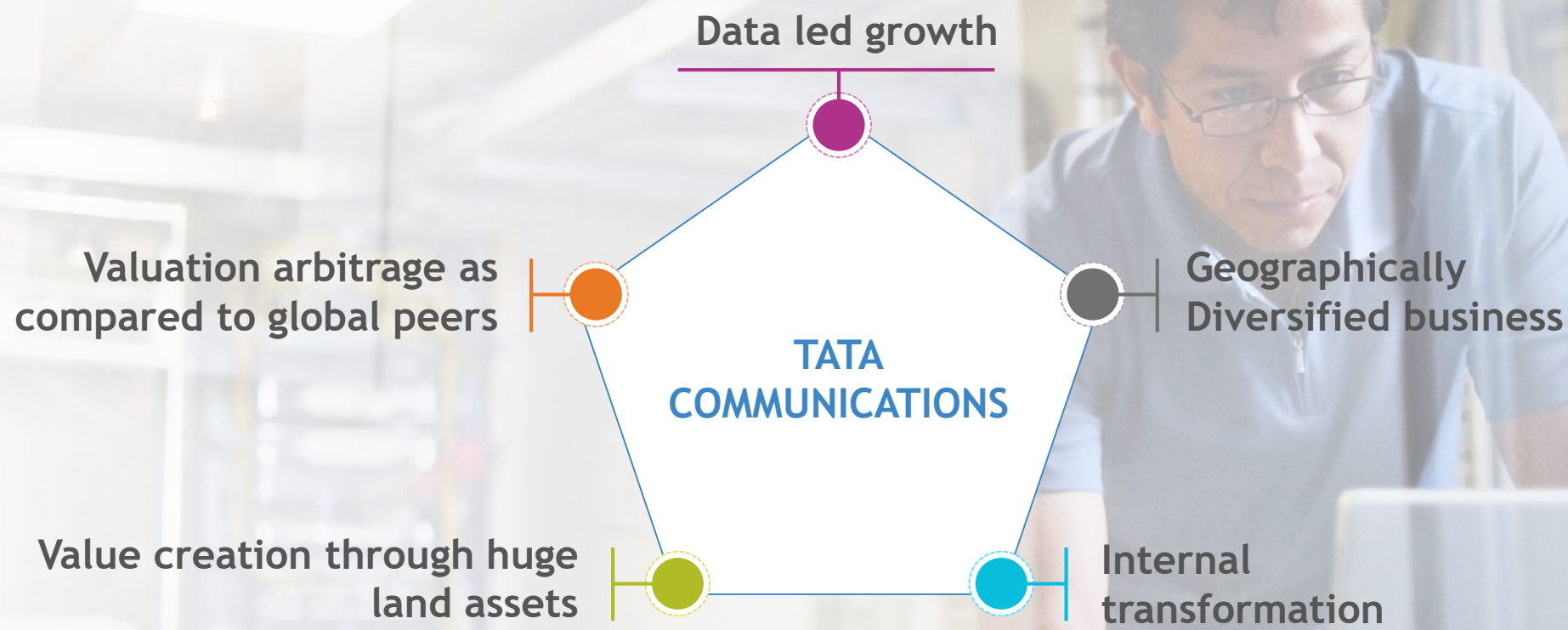
- Growth services has continued to scale with a YoY growth of 7.5%; IZO grew by 64.2%, GHCC grew by 40.9%, Security services grew by 30.4% and Hosting grew by 21.5% YoY.

- FY19 Dividend of INR 4.5/share which is 45% of face value of each share

- Demerger of surplus land approved by shareholders, NCLT and MCA; no further approval required, record date -18th Sep 2019. HPIL is in process to issue shares.

- After the transfer of surplus land, the company still holds close to ~750 acres of land across various states, and the de-merger will enable evaluation of options to monetise this land at a later stage

INVESTMENT THESIS



THANK YOU

tatacommunications.com