

PRESS RELEASE

Tata Communications delivers robust profit growth

Q2 FY22 PAT at INR 425 crores | Consolidated EBITDA increased by +12.9% QoQ with margin expansion of 260 basis points (BPs)

Mumbai – 20th October 2021 - Tata Communications, a global digital ecosystem enabler, today announces its financial results for the second quarter ended 30th September 2021.

Highlights | Q2 FY2022

Consolidated financial highlights

- Consolidated revenue came in at INR 4,174 crore (USD 563 Mn); growth of +1.7% QoQ and 5.2% decrease YoY. Sequential growth is on account of gradual recovery across both Data and Voice segments.
- Consolidated EBITDA stood at INR 1,113 crore (USD 150 Mn); an increase of +12.9% QoQ and a decrease of 3.9% YoY with margins at 26.7%. Margin expanded by 260 BPs QoQ and 40 BPs on a YoY basis.
- Consolidated Profit After Tax (PAT) is at INR 425 crore (USD 57 Mn) as compared to a profit of INR 385 crore in Q2 FY21, registering a growth of + 10.6% YoY and 43.7% QoQ.
- CAPEX for this quarter was at INR 392 crore as compared to INR 318 crore in Q2 FY21.

₹ 4174 Cr

Consolidated revenue

₹ 1113 Cr

Consolidated EBITDA

Consolidated Nos.	INR Crore	QoQ Growth	YoY Growth
Gross Revenue	4174	1.7%	(5.2%)
EBITDA	1113	12.9%	(3.9%)
EBITDA Margin	26.7%	260 BPs	40 BPs
PAT	425	43.7%	10.6%

Data services portfolio

- Data revenues stood at INR 3,140 crore, registering a growth of + 1.1% QoQ and a decrease of 2.2% YoY. With COVID situation easing, we have started to witness gradual recovery in business, all segments grew sequentially after 3 quarters of decline.
- EBITDA for the segment was at INR 1,049 crore, registering a growth of +12.6% QoQ and a decrease of 3.4% YoY, with margin at 33.4% on the back of growth in profitability in Core Connectivity and Digital Platforms & Services.
- Core Connectivity portfolio delivered growth of + 0.4% YoY in revenue; EBITDA increased by +0.9% YoY and +8.0% QoQ, with margins at 45.9%.
- Digital Platforms and Services have started to show gradual recovery on a quarterly basis, revenue improving by +2.3% QoQ.

Commenting on the second quarter performance, A.S Lakshminarayanan, MD and CEO, Tata Communications, said, “Delivering a sequential growth on a quarter-on-quarter basis after three quarters of decline is a positive indicator which we will continue to build on. The second quarter of FY22 was marked by recovery with favourable underlying trends as economic activities normalise. As the global industries recover, we continue to maintain sharp focus on the needs of our customers, in line with the rapidly changing trends and evolving digital needs.”

Commenting on the results, Kabir Ahmed Shakir, Chief Financial Officer, Tata Communications, said, “Our performance in the second quarter demonstrates a continued improvement in revenue supported by improvement in profitability and build-up of free cash flow. We continue to strengthen our balance sheet and invest for future growth as we evolve as a trusted partner for our customers, enabling their digital transformation journey.”

An investor fact sheet providing detailed analysis of the results for the quarter and half year ended 30th September 2021, has been uploaded on the Tata Communications website and can be accessed [here](#).

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About Tata Communications

A part of the Tata Group, Tata Communications (NSE: TATACOMM; BSE: 500483) is a global digital ecosystem enabler powering today's fast-growing digital economy in more than 190 countries and territories. Leading with trust, it enables digital transformation of enterprises globally with collaboration and connected solutions, core and next gen connectivity, cloud hosting and security solutions and media services. 300 of the Fortune 500 companies are its customers and the company connects businesses to 80% of the world's cloud giants. Its Tier-1 IP network wholly owned subsea fibre backbone and consortium cables' global network carries ~30% of the world's internet routes. For more information, please visit 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.

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