

Tanla Solutions Limited Investor Update

For the Quarter & Half Year ended September 30, 2017

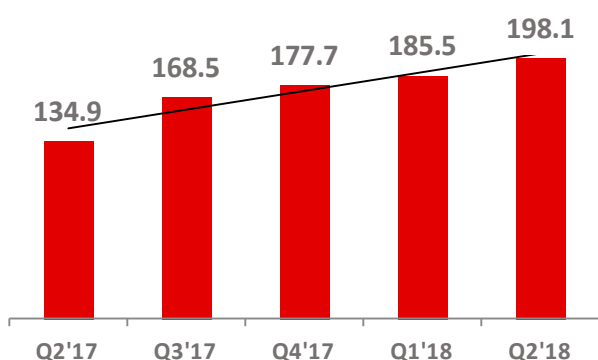
October 31, 2017

Q2FY18 Financial Highlights:

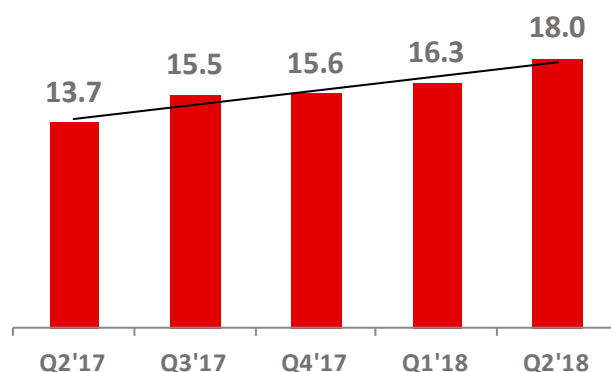
Particulars (₹ In crore)	Q2FY18	Q1FY18	Shift (%)
Total Revenue	198.2	185.5	7%
EBITDA	18.1	16.4	10%
Profit before Tax	6.4	4.7	35%

Revenue and EBITDA trend over the previous 5 quarters:

Revenue ₹(Cr)



EBITDA ₹(Cr)



Financial Highlights:

- Total Revenue at Rs. 198 Cr, a growth of 7% Q-o-Q and 47% Y-o-Y
 - Business Revenue at Rs. 191 Cr, a growth of 6% Q-o-Q and 47% Y-o-Y due to increase in messaging volumes.
 - Revenue from Property grew to Rs. 7 Cr from Rs 5 Cr, a growth of 40% Q-o-Q.
- Operating Profit at Rs. 18.1 Cr, a growth of 10% Q-o-Q and 32% Y-o-Y, on account of increase in revenues and effective control over indirect costs.
- Profit before tax at Rs. 6.4 Cr, a growth of 35% Q-o-Q
- Net Profit at Rs. 7.3 Cr, a decline of 39% Q-o-Q and 25% Y-o-Y due to reversal of deferred tax on account of depreciation
- EPS for Half year stood at Rs. 1.71
- Debtor days stood at 75 days, a marginal increase of 3 days from FY2017
- Strong cash realizations resulted in cash balance of Rs. 147 Cr

Business Update for Q2FY18:

- Renewal of domestic A2P Messaging agreement with a leading Telco is for the period of 2 years from October, 2017. For this period of renewal, the business margins would be impacted due to revision in revenue share.
- Deployment of ILD hub for a leading telecom operator in India is in progress, this agreement with the Operator is for a period of 3 years. The hub is likely to be operational from December 15, 2017. This will result in a positive impact on business margins.

Corporate Highlights:

- The Promoters have subscribed to 100% of 99,99,999 warrants issued in December 2015, resulting in an increase in Promoters' shareholding from 23.47% in 2015 to 30.08% post the final allotment.
- **New Line of Business**

The Board has approved to enter in to a new line of business i.e., Financial Technology through its 100% subsidiary to build a Market Place for businesses. In order to strengthen this offering, the Board has approved to apply for a NBFC licence for its subsidiary.

Condensed Consolidated Statement of Profit and Loss for the period ended (Un-audited)

Particulars	(₹ in Lakhs)		
	Quarter ended Sept 30, 2017	Quarter ended June 30, 2017	Quarter ended Sept 30, 2016
Revenue			
Revenue from Operations	19,815.95	18,552.97	13,492.10
Other income	8.25	22.62	54.53
Total Income	19,824.20	18,575.59	13,546.63
Expenses			
Cost of Services	17,259.56	16,122.65	11,462.91
Employee Benefits Expenses	377.76	386.14	343.05
Depreciation and Amortization	1,178.68	1,187.46	471.01
Travel Expenses	54.17	71.44	35.07
Connectivity & related expenses	81.40	82.81	38.39
Other Expenses	236.20	252.95	239.02
Total Expenses	19,187.77	18,103.47	12,589.44
Profit/(loss) before Tax	636.44	472.12	957.19
Tax expense:			
Current Tax	89.23	61.28	27.96
Deferred Tax	-181.87	-781.71	-41.04
Profit for the year	729.08	1,192.56	970.28
Earnings per equity share			
Basic	0.65	1.11	0.96
Diluted	0.65	1.11	0.96

Condensed Statement of Assets and Liabilities (Un-audited)

(₹ in Lakhs)

Particulars	As at Sept 30, 2017	As at March 31, 2017
Assets		
Property, plant and equipment & Intangible assets	46,342.38	48,639.48
Other non-current assets	3,118.16	2,096.54
Inventories	1,419.29	2,209.29
Trade receivables	15,835.88	11,362.79
Cash and bank balances	14,685.84	13,330.18
Current Assets	2,566.70	644.86
Total	83,968.25	79,093.14
Equity and Liabilities		
Shareholder's funds	68,436.80	65,630.05
Non-Controlling interest	-	-
Non-current liabilities	35.90	26.64
Current liabilities	15,495.54	13,436.45
Total	83,968.25	79,093.14

Investor Call:

Investor call to discuss the financial results of Q2FY18 will be held at 4.00 PM on Tuesday, 31st October 2017

Dial-in details are as follows:

Primary Number	+91 22 3938 1071
Local Access Number	3940 3977 (Ahmedabad, Bangalore, Chandigarh, Chennai, NCR (Delhi, Gurgaon, Noida), Hyderabad, Kochi, Jaipur, Kolkata, Lucknow and Pune.
International Toll Free Number	
USA	18667462133
UK	08081011573
Singapore	8001012045
Hong Kong	800964448

About Tanla Solutions:

Tanla Solutions [BSE: 532790|NSE: TANLA] founded in the year 1999, is the largest provider of A2P messaging services worldwide measured by volume of messages processed. Tanla's Fastrack platform is used by enterprises of all sizes including social media, banks, e-commerce, and logistics service providers to deliver mission critical messages and communicate with their customers.

Contact Information:

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Safe Harbor:

Certain statements in this presentation are forward looking in nature within the meaning of securities law. Forward looking statements generally relate to future events or future financial or operating performance, which include substantial risks and uncertainties. These statements relate to, among other things, our business strategy, goals and expectations concerning our market position, our channel partners and carrier relationships, size and growth of markets in which we operate and our future financial and operating results. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, the outcome of events described in these forward-looking statements depend on a variety of factors known and unknown, uncertainties and other factors including adverse changes in general and economic market conditions and our ability to adapt to evolving market and customer demands and rapid technological changes.