Q3 FY 2015 Investor Update

Wednesday, January 14, 2015



tanla

Safe Harbor

Certain statements in this release reflecting our future growth prospects are forward – looking statements which involve a number of risks and uncertainties that could cause results to differ materially from those in such forward looking statements. The risks and uncertainties relating to these statements include but are not limited to risks and uncertainties with respect to fluctuation in earnings, our ability to manage growth, intense competition on IT services including these factors which may affect our cost advantage, cost of resources, introduction of regulations that might impact the prospects, our ability to successfully complete the planned projects, general economic conditions affecting our industry. The Company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company.

Q3 Financial Highlights :

- ✓ Revenue from operations: Growth of 30% QoQ and 180% YoY to Rs. 6,787.00 Lakhs.
- ✓ Revenue from domestic operations: Growth of 54% QoQ and 646% YoY to Rs. 4,171.81 Lakhs.
- ✓ Revenue from overseas operations: Increased 32% YoY to Rs. 2,315.19 Lakhs.
- ✓ EBIDTA: Growth of 23% QoQ and 163% YoY to Rs. 2,298.56 Lakhs in Q3FY15.
- ✓ Net Profit: Growth of 234% QoQ and 31% YoY to Rs.247.63 Lakhs.

Reasons for growth:

- Commercial launch of messaging platform with Vodafone.
- Increase in traffic volumes on existing messaging platforms.
- Revenue realized from sale of property.

Consolidated Financial Data - Fact Sheet

Figures in Rs. Lakhs

Particulars	Quarter ended December 31				% Change over previous year corresponding Quarter	Quarter ended September 30	% Change over previous Quarter
	2014			2013	%	2014	%
Income from Operations :	Mobile VAS & Software Division	Property Development Division	Total	Mobile VAS & Software Division		Mobile VAS & Software Division	
Overseas	2,315.19	-	2,315.19	1,753.96	32%	2,287.23	1%
Domestic	3,116.06	1,055.75	4,171.81	559.45	646%	2,711.55	54%
Total Income from Operations (A)	**5,431.25**	**1,055.75**	**6,487.00**	**2,313.41**	**180%**	**4,998.78**	**30%**
Other Income :							
Bad debts recovery	-		-	825.63	-100%	-	-
Interest & Income on Investments	83.68	-	83.68	38.25	119%	39.54	112%
Forex Fluctuation	89.85	-	89.85	-	-	86.46	4%
Total Other Income (B)	**173.53**	**-**	**173.53**	**863.88**	**-80%**	**126**	**38%**
Total Revenue (A)+ (B)	**5,604.78**	**1,055.75**	**6,660.53**	**3,177.29**	**110%**	**5,124.78**	**30%**
Expenses :							
Operating Expenses (C)	3,248.39	512.31	3,760.70	1,180.28	219%	2,725.25	38%
Diminution in Value of Investment (D)	-	0	-	-	-	-	-
Total Expenses (C)+ (D)	**3,248.39**	**512.31**	**3,760.70**	**1,180.28**	**219%**	**2,725.25**	**38%**
% Total Revenue	7.94	48.53	56.46	37.15	52%	53.18	6%
Gross Profit :							
Gross Profit from Operations (A-C)	**2,182.86**	**543.44**	**2,726.30**	**1,133.13**	**141%**	**2,273.53**	**20%**
% Total Revenue	38.95	51.47	40.93	35.66	15%	44.36	-8%

Particulars		Quarter ended December 31			% Change over previous year corresponding Quarter	Quarter ended September 30	% Change over previous Quarter
		2014		2013	%	2014	%
Other Income net of Diminution in Value of Investments (H)	173.53	-	173.53	863.88	-80%	126	38%
EBIDTA (E)	**1,684.23**	**390.24**	**2,074.47**	**787.57**	**163%**	**1,686.00**	**23%**
Depreciation & Amortization :							
Normal Depreciation (F)	1,732.99	209.18	1,942.17	1,474.37	32%	1,938.23	-
Depreciation on account of Currency Translation (G)	21.31	-	21.31	-	100%	19.93	7%
Total Depreciation & Amortization (F+G)	**1,754.30**	**209.18**	**1,963.48**	**1,474.37**	**33%**	**1,958.16**	**-**
Net Profit/(Loss) before Depreciation on account of Currency Translation {E-F}	(48.76)	181.06	132.3	-686.8	-119%	-252.23	-152%
Net Profit / (Loss) after Depreciation & Amortization (E-F-G+H)	103.46	181.06	284.52	177.08	61%	-146.16	-295%
Net Profit / (Loss) before Tax	**103.46**	**181.06**	**284.52**	**177.08**	**61%**	**-146.16**	**-295%**
Provision for Taxation :							
Current Tax - MAT	18.93	-	18.93	-	100%	20.87	100%
Deferred Tax	17.95	-	17.95	-12.45	-244%	17.5	3%
Net Profit / (Loss) after Tax	**66.57**	**181.06**	**247.63**	**189.53**	**31%**	**-184.54**	**-234%**
Earnings Per Share (of Face value Re.1/- each)			**0.24**	**0.19**		**-0.18**	

Revenue by geography

	Quarter Ended		
Particulars	Dec 31 2014	Sep 30 2014	Dec 31 2013
India	64.3%	54.2%	24.2%
ROW	35.7%	45.8%	75.8%

Currency Variance

	Quarter Ended		
Particulars	Dec 31 2014	Sep 30 2014	Dec 31 2013
GBP	98.77	99.84	101.85
USD	63.59	61.48	61.77

Business Update

M-messaging :

New International SMS Hub agreement signed:

Tanla has signed an agreement with one of the largest Indian Mobile Network Operators (MNO) for delivering international messages from Social Media companies, large E-commerce players, Enterprises and other MNO's into India using the SMS hubbing model.

As part of this agreement Tanla will be deploying a SMS hub in Singapore at the Equiniix data center (certified to meet rigorous environmental and energy management standards) and agreements have been entered with another 2 International MNO's for the provision of point codes, GT's and the backbone required to deliver the services to Signal Transfer Points in India. This makes Tanla fully compliant with TRAI regulations of placing the servers outside India for Internationally originated messages and positions Tanla perfectly for taking advantage of this growing market.

Domestic messaging platform:

- Vodafone India: full commercial launch in December 2014, the platform is witnessing good traction with several new clients coming on board.
- The Vodafone deployment has been certified by KPMG, Tanla plans to have the messaging platforms deployed with other partners also audited for compliance with security standards to attract high value enterprise business.
- Tanla platform has processed an all time high of 8.02 BN messages in Q3 against 5.84 BN messages in Q2 registering a growth of 37% QOQ. Highest volume of 145.3 MN per day transactions was recorded on December 31, 2014.

M-payments:

- Payment platform successfully launched with US partner. Transactions growing at a steady pace.
- 48 MN mobile payment transactions have been processed by Tanla's payment platform in Q3FY2015.

M-commerce:

- M-commerce platform running successfully in the Middle East markets, launch in India and other Asian markets planned for Q4.

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