

Tata Communications delivers +14.9% YoY PAT

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Q1 FY22 PAT at INR 296 Crores | Focus on profitability with EBITDA margin expansion of 40 BPs YoY

INVC NEWS Mumbai ,

Tata Communications, a global digital ecosystem enabler, today announces its financial results for the quarter ended 30th June 2021.

Highlights | Q1 FY2022

Consolidated financial highlights

- Consolidated revenue came in at INR 4,103 Crore (USD 556 Mn), growth of +0.7% Quarter-on-Quarter (QoQ), and 6.8% decrease Year-on-Year (YoY). This YoY contraction is primarily due to reduction in Voice business and moderation of Collaboration traffic in the Data segment
- Consolidated EBITDA stood at INR 986 Crore (USD 134 Mn); reduction of 5.3% YoY. This quarter, EBITDA has been impacted by a provision of INR 33 Crore on account of license fee on revenue from pure internet services which was allowed as deduction in the definition of Adjusted Gross Revenue (AGR) earlier. Despite this impact EBITDA margin has expanded by 40 BPs YoY
- Consolidated Profit After Tax (PAT) is at INR 296 Crore (USD 40 Mn) for Q1 FY22 as compared to a profit of INR 258 Crore in Q1 FY21, registering a growth of 14.9% YoY
- CAPEX for this quarter grew to INR 381 Crore as compared to INR 372 Crore in Q1 FY21

₹4,103 Cr
Consolidated
revenue

₹986 Cr
Consolidated
EBITDA

Consolidated Nos.

INR Crore

YoY Growth

Gross Revenue	4,103	(6.8%)
EBITDA	986	(5.3%)
EBITDA margin	24.0%	40 BPs
PAT	296	14.9%

Data services portfolio

- Data business revenue came in at INR 3,104 Crore witnessing a growth of + 0.6% QoQ and a -2.2% YoY reduction. Data business continues to be affected by COVID related slowdown. Enterprise decisions have been slow due to macroeconomic headwinds leading to longer lead time for deal wins. Service delivery was affected by lockdowns during the 2nd Wave of COVID-19 pandemic
- EBITDA for the segment stood at INR 932 Crore; up +0.4% QoQ and decline of -2.4% YoY. EBITDA was affected by provision of license fee made during the quarter and despite this impact EBITDA margin is maintained at 30%.
- In Core Connectivity, there is a healthy growth in revenue by +1.7% YoY, and EBITDA increased by +0.3% YoY with margins at 42.6%
- Digital Platforms and Services were affected by moderation of Collaboration traffic which was at its peak in Q1 FY21. Revenue strengthened by 2.9% QoQ but reduced by -12.8% YoY. There are early signs of recovery and an uptake of usage based services in geographies where economies have opened

“In a challenging quarter impacted by the second wave of COVID-19, we have delivered a robust performance,” said A S Lakshminarayanan, Managing Director and CEO, Tata Communications. “The global markets are slowly opening up and we are witnessing greenshoots of demand recovery.”

He added, “Our focus is to continue investing in developing innovative digital ecosystem solutions driven by customers’ needs. Early demand for our recent launches for live sports on our Media Edge Cloud and IZO™ Financial Cloud is testament that we are moving in the right direction.”

Commenting on the results, Kabir Ahmed Shakir, Chief Financial Officer, Tata Communications, said, “Our focus on growth and profitability continues to deliver results. A healthy profit and free cash flow is empowering us to innovate and accelerate growth while streamlining processes and bringing in further efficiencies. We are well-poised to enable enterprises make the shift with digitalisation playing a pivotal role enabling businesses derive positive growth.”

An investor fact sheet providing detailed analysis of the results for the quarter ended 30th June 2021 has been uploaded on the Tata Communications website and can be accessed

URL : <https://www.internationalnewsandviews.com/tata-communications-delivers-14-9-yoy-pat/>



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