Retail Equity Research

GEOJIT PEOPLE YOU PROSPER WITH

Tanla Platform Ltd.

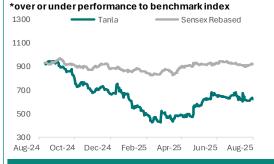
Accumulate

Sector: IT Software 01st September, 2025

Key Chang	_{jes} Target		Rating	E	arnings 🛕	Target	Rs. 705
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame	CMP	Rs. 618
Small Cap	TANLA:IN	79,810	TANLA	532790	12 Months	Return	+14%

Data as of: 29-08-2025, 18:00 hrs

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Company Data						
Market Cap (Rs. cr) 8,319						
52 Week High — Lo	w (Rs.)		975 - 409			
Enterprise Value (Rs	. cr)		7,438			
Outstanding Shares	(Rs cr)		13.2			
Free Float (%)			52.0			
Dividend Yield (%)			1.9			
6m average volume	(cr)		0.2			
Beta 1.5						
Face value (Rs)			1.0			
Shareholding (%)	Q3FY25	Q4FY25	Q1FY26			
Promoters	44.1	44.1	45.5			
FII's	12.5	10.4	7.3			
MFs/Institutions	0.5	0.8	0.9			
Public	42.9	44.7	46.3			
Total	100.0	100.0	100.0			
Promoter Pledge	Nil	Nil	Nil			
Price Performance	3 Month	6 Month	1 Year			
Absolute Return	0%	45%	-33%			
Absolute Sensex	-2%	9%	-3%			
Relative Return	2%	36%	-30%			



Consolidated (Rs cr)	FY25A	FY26E	FY27E
Sales	4,028	4,425	5,008
Growth (%)	3	10	13
EBITDA	691	776	855
Margin(%)	17	18	17
PAT Adj.	507	564	623
Growth (%)	-7	11	11
Adjusted EPS	38	43	47
Growth (%)	-7	13	11
P/E	17	15	14
P/B	4	3	3
EV/EBITDA	11	9	8
ROE (%)	24	24	23
Adj. D/E	-0.4	-0.5	-0.5

Rebound With AI Platforms & OTT Push

Tanla Platforms Ltd. is the largest Communication Platform as a Service (CPaaS) player in India. Tanla has two major businesses: Enterprise (91%) and Platform (9%), both using blockchain technology to reduce spam and fraud activities and make it easy to integrate with enterprise applications.

- In Q1FY26, the company's consolidated revenue rose 4% YoY to Rs.1,041 cr, driven by growth in the enterprise segment's OTT business, which contributed 32.3% to overall revenue. However, the SMS business remained a drag on performance because of the pricing pressure.
- Revenue from the platform segment grew 6% YoY, supported by the Al integration and recent deal wins.
- EBIDA de-grew by 13.1% YoY to Rs. 164 cr, and the margin was at 15.8%, contracted by 306 bps in Q1FY26, primarily due to higher employee costs owing to wage restructuring. However, we believe that the company shows margin resilience at 17% full-year growth with global expansion and new project initiatives.
- The company is now focused on other growth drivers like platform-led business and OTT communication channels and offsetting from the low-margin business.

Outlook & Valuation

After two muted quarters, Tanla reported a top-line recovery in Q1FY26, driven by platform-led services and OTT communication, that reflecting a clear shift toward rich media messaging. The company is targeting 20% EBITDA CAGR over the next two years and is progressing with key initiatives, including an Al-native platform with a Southeast Asian telco and nearing the go-live of its MaaP solution; both initiatives are expected to drive subscription and revenue-sharing growth. With these, Indonesia is now emerging as Tanla's most critical international growth market. The company has adopted a new platform business to offset the price competition market. Hence, we upgrade our rating to Accumulate on the stock, based on 15x P/E on FY27E adj. EPS with a rolled-forward price of Rs. 705

Quarterly Financials Consol.

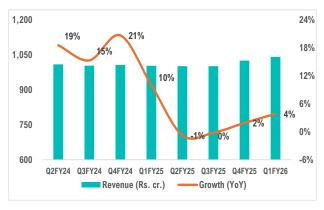
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Rs. cr	Q1FY26	Q1FY25	YoY Growth (%)	Q4FY25	QoQ Growth (%)
Sales	1,041	1,002	4	1,024	2
EBITDA	164	189	-13	163	0
Margin (%)	16	19	-306bps	16	-20bps
EBIT	137	166	-18	136	0
PBT	147	174	-15	138	7
Rep. PAT	118	141	-16	117	1
Adj. PAT	118	141	-16	117	1
Adj. EPS (Rs)	9	11	-16	9	1



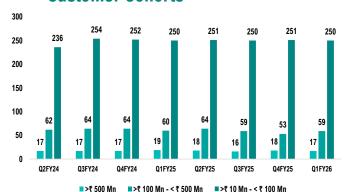
Key concall highlights

- Management aspires for 20% EBITDA CAGR over the next two years.
- SMS volume growth is strong, but revenue realization is under pressure due to aggressive pricing competition and WhatsApp's shift from a 24-hour unlimited window to per-transaction pricing, which has not reduced effective costs.
- Tanla Platforms renewed its strategic partnership with SBI to deploy its Wisely ATP (Anti-Phishing Platform), aimed at enhancing SMS security and protecting customers from phishing attacks.
- Tanla Platforms is launching an Al-native platform with a top Southeast Asian telco, deeply embedded in its core network. Leveraging scalable Al and an agentic layer, it supports multiple enterprise applications. Revenue will be subscription-based per user per month over a 3.5-year deal, starting in Q2FY26.
- Tanla's MaaP (Messaging as a Platform) solution, deployed with two major telcos outside India (Indosat & Telkomsel), is
 nearing its go-live phase. This platform is expected to generate revenue through market-based revenue sharing.
- Indonesia is Tanla's most important international growth market, with a new office, new major operator wins, and a goto-market roadmap that aims for dominance before further global rollout.

Revenue



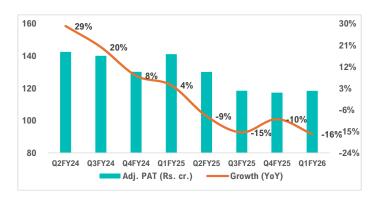
Customer Cohorts



EBITDA



PAT



Change in Estimates

	Old estimates		New estimates		Change (%)	
Year / Rs cr	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	4,228	4,622	4,425	5,008	4.6	8.3
EBITDA	702	767	776	855	10.6	11.4
Margins (%)	16.6	16.6	17.5	17.1	94bps	46bps
Adj. PAT	507	546	564	623	11.2	14.1
EPS	37.7	40.6	42	46	11.3	14.2



Consolidated Financials

Profit & Loss

Y.E March (Rs cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Sales	3,355	3,928	4,028	4,425	5,008
% change	5	17	3	10	13
EBITDA	588	732	691	776	855
% change	-16	25	-6	12	10
Depreciation	46	85	98	108	117
EBIT	542	647	593	668	737
Interest	1	6	6	6	6
Other Income	26	43	40	33	31
PBT	567	683	627	696	762
% change	-16	21	-8	11	10
Tax	119	135	120	132	140
Tax Rate (%)	21	20	19	19	18
Reported PAT	448	548	507	564	623
PAT att. to common	448	548	507	564	623
Adj.*	0.0	0.0	0.0	0.0	0.0
Adj. PAT	448	548	507	564	623
% change	-17	22	-7	11	11
No. of shares (cr)	13.4	13.4	13.4	13.2	13.2
Adj EPS (Rs)	33	41	38	43	47
% change	-17	23	-7	13	11
DPS (Rs)	10	12	12	13	14

Balance Sheet

Y.E March (Rs cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Cash	712	667	881	1,162	1,475
Accts. Receivable	570	842	838	873	960
Inventories	-	-	-	-	-
Other Cur. Assets	446	528	515	498	483
Investments	0	2	122	121	121
Gross Fixed Assets	681	342	404	504	704
Net Fixed Assets	166	206	229	284	435
CWIP	8	23	5	5	6
Intangible Assets	374	573	593	604	606
Other Assets	137	167	156	150	145
Total Assets	2,413	3,009	3,338	3,698	4,231
Current Liabilities	818	998	1,003	1,149	1,246
Provisions	3	10	17	19	22
Debt Funds	0	0	0	0	0
Other Liabilities	74	60	49	45	41
Equity Capital	13	13	13	13	13
Res. & Surplus	1,504	1,928	2,255	2,472	2,909
Shareholder Funds	1,517	1,942	2,268	2,485	2,922
Minority Interest	-	-	-	-	-
Total Liabilities	2,413	3,009	3,338	3,698	4,231
BVPS	113	144	168	185	217

Cash Flow

Y.E March (Rs cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Net inc. + Depn.	613	769	725	804	880
Non-cash adj.	11	-22	-31	-22	-19
Changes in W.C	-378	-163	-58	-19	-128
C.F. Operation	247	590	642	762	732
Capital exp.	0	-371	0	0	0
Change in inv.	26	15	-99	0	0
Other invest.CF	-156	-159	-49	-100	-200
C.F - Investment	-70	-528	-220	-124	-224
Issue of equity	0	0	0	0	0
Issue/repay debt	0	-11	-6	-6	-6
Dividends paid	-109	-134	-161	-172	-185
Other finance.CF	-7	-5	-11	-5	-4
C.F - Finance	-328	-151	-208	-357	-195
Chg. in cash	-151	-89	214	281	313
Closing cash	712	667	881	1,162	1,475

Ratios

Y.E March	FY23A	FY24A	FY25A	FY26E	FY27E
Profitab. & Return					
EBITDA margin (%)	17.5	18.6	17.2	17.5	17.1
EBIT margin (%)	16.2	16.5	14.7	15.1	14.7
Net profit mgn.(%)	13.3	14.0	12.6	12.7	12.4
ROE (%)	43.5	31.7	24.1	23.7	23.0
ROCE (%)	41.6	29.9	22.8	22.8	22.3
W.C & Liquidity					
Receivables (days)	31.0	65.6	76.1	70.6	66.8
Inventory (days)	-	-	-	-	-
Payables (days)	30.5	59.8	60.7	54.9	55.2
Current ratio (x)	2.1	2.0	2.3	2.3	2.4
Quick ratio (x)	2.1	2.0	2.2	2.2	2.3
Turnover &Leverage					
Gross asset T.O (x)	9.9	7.7	10.8	9.7	8.3
Total asset T.O (x)	2.8	1.4	1.3	1.3	1.3
Int. covge. ratio (x)	396.6	104.3	99.2	116.4	129.9
Adj. debt/equity (x)	-0.5	-0.3	-0.4	-0.5	-0.5
Valuation					
EV/Sales (x)	18.3	13.5	1.8	1.6	1.4
EV/EBITDA (x)	104.2	72.3	10.8	9.2	8.0
P/E (x)	138.4	97.8	16.4	14.8	13.4
P/BV (x)	40.8	27.6	3.7	3.3	2.8



Recommendation Summary (last 3 years)



Dates	Rating	Target
16.Feb.23	Buy	740
09.May.23	Buy	848
08.Aug.23	Accumulate	1349
06.May.24	Accumulate	1,046
31.Jul.24	Buy	1,198
17.Dec.24	Hold	774
07.Feb.25	Hold	609
01.Sep.25	Accumulate	705

Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%

Not rated/Neutral

Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; Accumulate: Partial buying or to accumulate as CMP dips in the future; Hold: Hold the stock with the expected target mentioned in the note.; Reduce: Reduce your exposure to the stock due to limited upside.; Sell: Exit from the stock; Not rated/Neutral: The analyst has no investment opinion on the stock.

Symbols definition:







Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

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