

TODAY'S PRIME STOCK (SHORT-TERM INVESTMENT)

Company Name: Tanla Platforms Ltd

BSE CODE: 532790

NSE CODE: TANLA

Sector: IT Software

Industry: Software

Mrkt Cap (Cr)	12,770
P/E (x) TTM	23.1
Industry P/E(x) TTM	35.7
P/B (x) TTM	6.62
EV/EBITDA (x)	15.5

CMP (Rs): 945 | Buy Range: 930-945 | Target Price: 1090 | Potential Upside: 15%
Duration of Recommendation: 3 months

Tanla Platforms Ltd is a cloud communications company that facilitates business communications with their customers and target audiences. It operates as a global provider of application-to-person (A2P) messaging platforms.

Investment Rationale

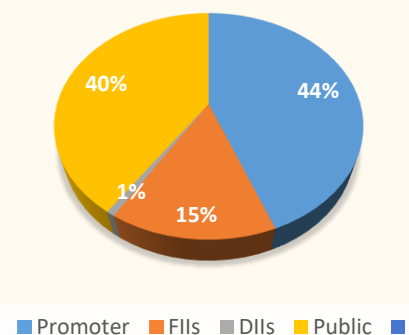
- **Market Leadership:** Tanla holds a leading position in the CPaaS market with a 35% market share in India. The company's dominance in the domestic market is further reinforced by its acquisition of ValueFirst, expanding its market presence and capabilities, particularly in the OTT messaging space.
- **Strong Customer Base and Long-Term Relationships:** Tanla Platforms Ltd boasts an impressive client list, including industry giants like Airtel, Google, Facebook, LinkedIn, and major banks like HDFC, Kotak, and Axis. About 50% of their top 50 customers have been with them for more than seven years, indicating strong, long-term business relationships and customer satisfaction.
- **Global Market Presence:** With a substantial revenue mix from both domestic (68%) and international (32%) markets, Tanla has a balanced and diversified geographical revenue stream. Approximately 50% of their international business is built in Euro, providing stability against currency fluctuations.
- **Advanced Product Offerings:** Tanla's product portfolio includes Wisely, a CPaaS offering a secure, trusted communication platform, and Trubloq, the world's first blockchain-enabled commercial communication stack. These advanced products cater to the evolving needs of digital communication and secure interactions.
- **Growth in IoT Sector:** Tanla is exploring emerging technologies in the IoT sector, presenting multifold opportunities across messaging, data, and cloud analytics. This strategic focus on IoT can lead to significant growth and diversification in their revenue streams.
- **Consistent Financial Performance:** Consolidated Revenue/EBITDA/PAT grew at a CAGR of 19%/19.11%/16% respectively over FY21-24 period. Company's 3-year average ROE/ROCE are 37% & 37.7% respectively. Company's leverage position is also very good at D/E of 0.04 with cash & cash equivalents on hand Rs. 667 crores.
- **Healthy Performance in Q4FY24:** Consolidated Revenue/EBITDA/PAT increased by 10%/3.5%/4% YoY to Rs. 1002 cr/Rs. 189 cr/Rs. 141 cr YoY respectively. EBITDA margins reduced by 119 bps to 18.8% from 20% last year. On QoQ basis, Revenue/EBITDA/PAT were -0.3%/+17.5%/+8% respectively.

Valuations: At CMP, stock is trading at attractive valuations with P/E multiple of 21x/18x its FY25E/FY26E earnings.

1-Year Price Performance



Shareholding Pattern



Share India Securities Limited

Corporate Office

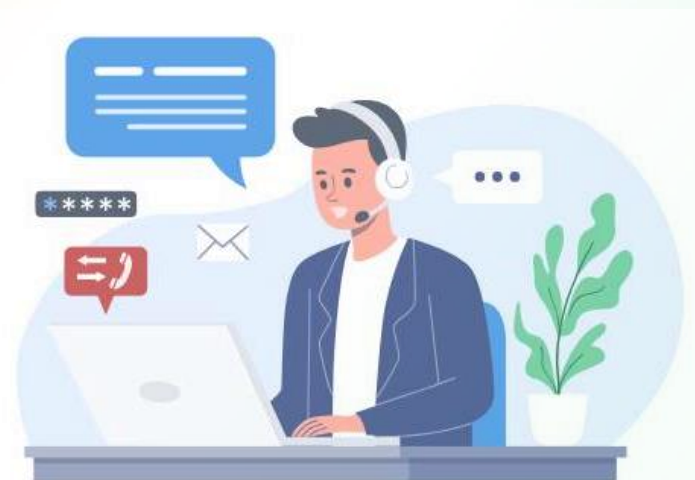
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