Tata Communications has announced its financial results for the quarter ended September 2018. The company's consolidated revenue grew sequentially by 3.2 per cent quarter on quarter (QoQ), led by strong growth in data services. Revenue from data business grew by 9.1 per cent year on year (YoY) and 5.2 per cent QoQ, on the back of strong performance in growth services portfolio. Growth services witnessed QoQ revenue growth of 9.1 per cent, with good traction in IZO cloud enablement, media and entertainment, global hosted contact centre, and mobility services. Data services now contribute over 75 per cent of overall revenue, an increase of 9 per cent compared to the quarter ended September 2017.

The company's consolidated earnings before interest, taxes, depreciation, and amortisation (EBITDA) increased by 7.4 per cent QoQ and 6.1 per cent YoY, and margins expanded by 150 basis point (BPS) over the same quarter in 2017. This was primarily due to focus on boosting operational efficiencies and driving down costs, and reduction of losses in growth services. Data EBIDTA grew by 10.0 per cent YoY and 4.1 per cent QoQ primarily due to growth services turning EBITDA neutral this quarter.

Further, the consolidated profit after tax (PAT) during the quarter ended September 2018 was Rs 16 million while the free cash flow (EBITDA less Capex) for the quarter stood at Rs 1.72 billion.

Commenting on the results, Vinod Kumar, managing director and chief executive officer, Tata Communications, said: "Our Growth Services portfolio turning EBITDA neutral this quarter demonstrates that our new services are gaining steady operating leverage. Equally, it is proof that our broadened portfolio is appealing to customers, as they need a dependable digital infrastructure to ensure success in their digital journeys. Our funnel and delivery pipeline for Growth Services is strong, which gives us further confidence for the quarters ahead."

Meanwhile, Pratibha K. Advani, chief financial officer, Tata Communications, said: "Our investments in our digital capabilities have started to show results, and we witnessed a double-digit growth of 10.7 per cent sequentially in our Growth Services portfolio on a constant currency basis. This is in line with our strategic intent and long-term vision. Our growth driver in the future will be innovation services, we continue to invest in that portfolio while maintaining a balance of profitability and healthy free cash flow generation."

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