



# Affle (India) Limited

## Corporate Presentation

May 2021

Consumer Intelligence Driven Global Technology Company



**15+ years**  
Track record



**Global**  
Reach & opportunity



**Performance driven**  
Business model



**Leading**  
In India



**Scalable**  
Data platforms



**Committed**  
Leadership



**High**  
Growth markets



**Positive**  
Cashflows



**Growth driven**  
Global customer base



**Robust**  
Profitability



**Accelerated**  
Consumer digital adoption



**Strategic**  
Organic & inorganic growth plan



# Affle | At a Glance



## ABOUT

- Global technology company
- Leading market position in India
- Profitable business model
- Well-defined strategic growth plan



## BUSINESS SEGMENTS

- 1) **Consumer Platform:** Delivers acquisitions, engagements & transactions for leading brands and B2C companies. Also, includes retargeting & push notification for e-commerce (**98.2% FY2021 revenue**)<sup>1</sup>
- 2) **Enterprise Platform:** Enabling offline businesses to go online through App development, O2O<sup>2</sup> commerce & data analytics (**1.8% FY2021 revenue**)<sup>1</sup>



## GLOBAL REACH

India, South East Asia (SEA), Middle East and Africa (MEA), North America (NA), Europe, Japan, Korea and Australia (JKA)

**49.7%**  
India revenue<sup>1,3</sup>  
FY2021

**50.3%**  
International revenue<sup>1,3</sup>  
FY2021



## END TO END MOBILE ADVERTISING PLATFORM

- In-house data management platform with over **2.2 Bn<sup>4</sup>** connected devices reached, that drives our predictive optimization algorithm
- Fraud Detection platform to help deliver high ROI to our customers



## R&D FOCUS WITH A STRONG PATENT PORTFOLIO

<b>3</b>	<b>9</b>	<b>1</b>	<b>5</b>
Patents registered in US for digital advertising	Patents filed in US & India for digital ad fraud detection	Patent related to retargeting business filed in US	Patents filed in Singapore, India &/or US



## FINANCIAL SUMMARY<sup>5</sup>

(Consolidated)	FY21 (INRmn)	FY20 (INRmn)	y-o-y growth
Revenue	5,168	3,338	54.8%
EBITDA	1,300	888	46.4%
PAT (Normalized)	1,031	655	57.4%

1) For twelve months ended March 31, 2021, on a consolidated basis; 2) O2O: Online to Offline; 3) Region-wise contribution and is different from the billing entity-wise segmental break-up disclosed in financial results; 4) For the 12 months period of April 1, 2020, to March 31, 2021; 5) Refer appendix for detailed financial working and adjustments

# End to End Technology Platform



E-commerce Market

Brands / Retail

	Converted users (mn)	x	Average CPCU <sup>1</sup> (INR)	=	CPCU Revenue (INRmn)
FY2021	105.3		40.8		4,294
FY2020	72.3		41.0		2,965

Source: Industry data basis Frost & Sullivan Report titled "Industry Insights on the Advertising and Ad Tech Market", 2021  
 Notes: 1. Cost per converted user (Pricing model for Affle, which is the cost paid by the advertiser); 2. For the 12 months period of April 1, 2020 to March 31, 2021 on a consolidated basis; 3. mTraction (mFaas) from Affle International Pte Ltd. is accredited under the Accreditation@SG Digital (SG:D) programme by the Info-communications Media Development Authority ("IMDA") Singapore; 4. Basis volume of transactions

# Key Investment Highlights

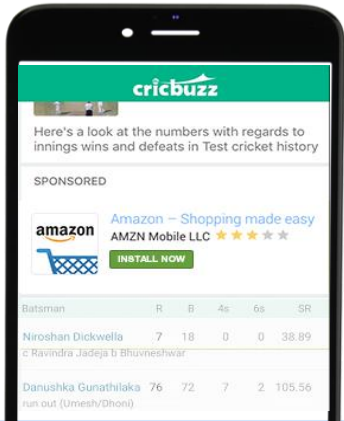
- 1 Performance driven end-to-end mobile tech platform powered by technology and innovation
- 2 Robust intellectual property (IP) portfolio addressing data privacy issues, ad fraud and futuristic tech use cases
- 3 Mobile connected global ecosystem growing robustly
- 4 Leading position in India, operating in a market with substantial barriers to entry
- 5 Global reach with a well-defined strategic growth plan
- 6 Strong track record of growth and profitability
- 7 Entrepreneurial and committed leadership team executing the Company's strategic vision

# 1 Performance driven, high ROI CPCU business model

84.6% of Consumer Platform revenue contributed by CPCU model in FY2021 and 15.4% from Non-CPCU



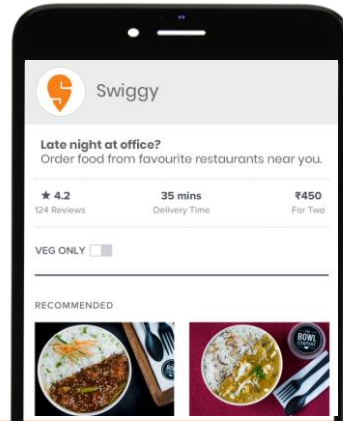
**New user conversion (online)**



Use Case - Targeted new user acquisition optimized to in-app transaction/registration/event



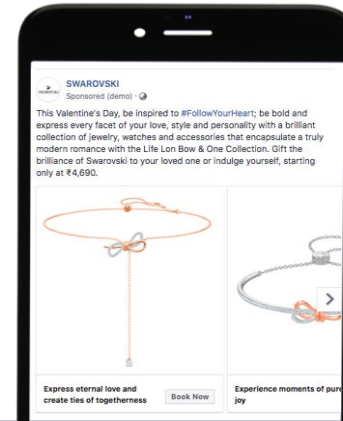
**Existing user repeat conversion (online)**



Use Case - Target interested user to complete the transaction



**New/existing user conversion (offline)**

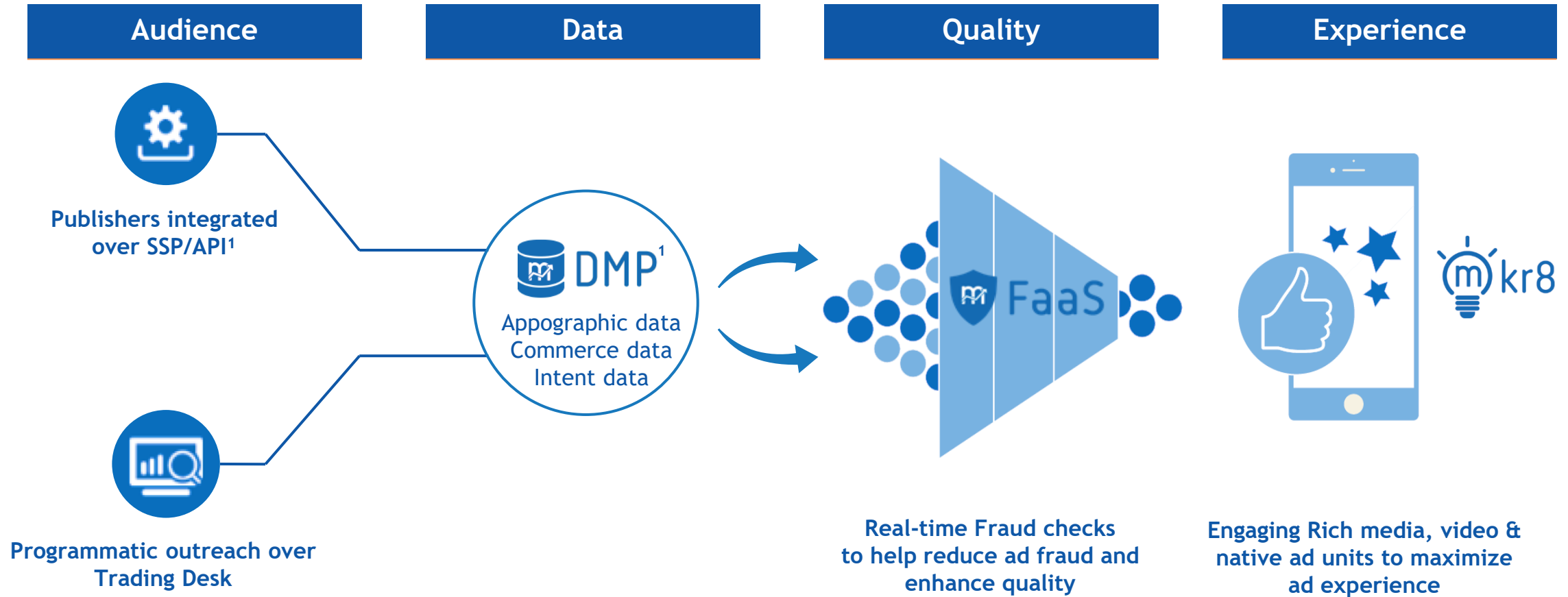


Use Case - Online bookings to drive offline walk-ins (O2O)

\* ROI - Return on investment for our customers

# 1 Consumer intelligence driven end-to-end mobile tech platform

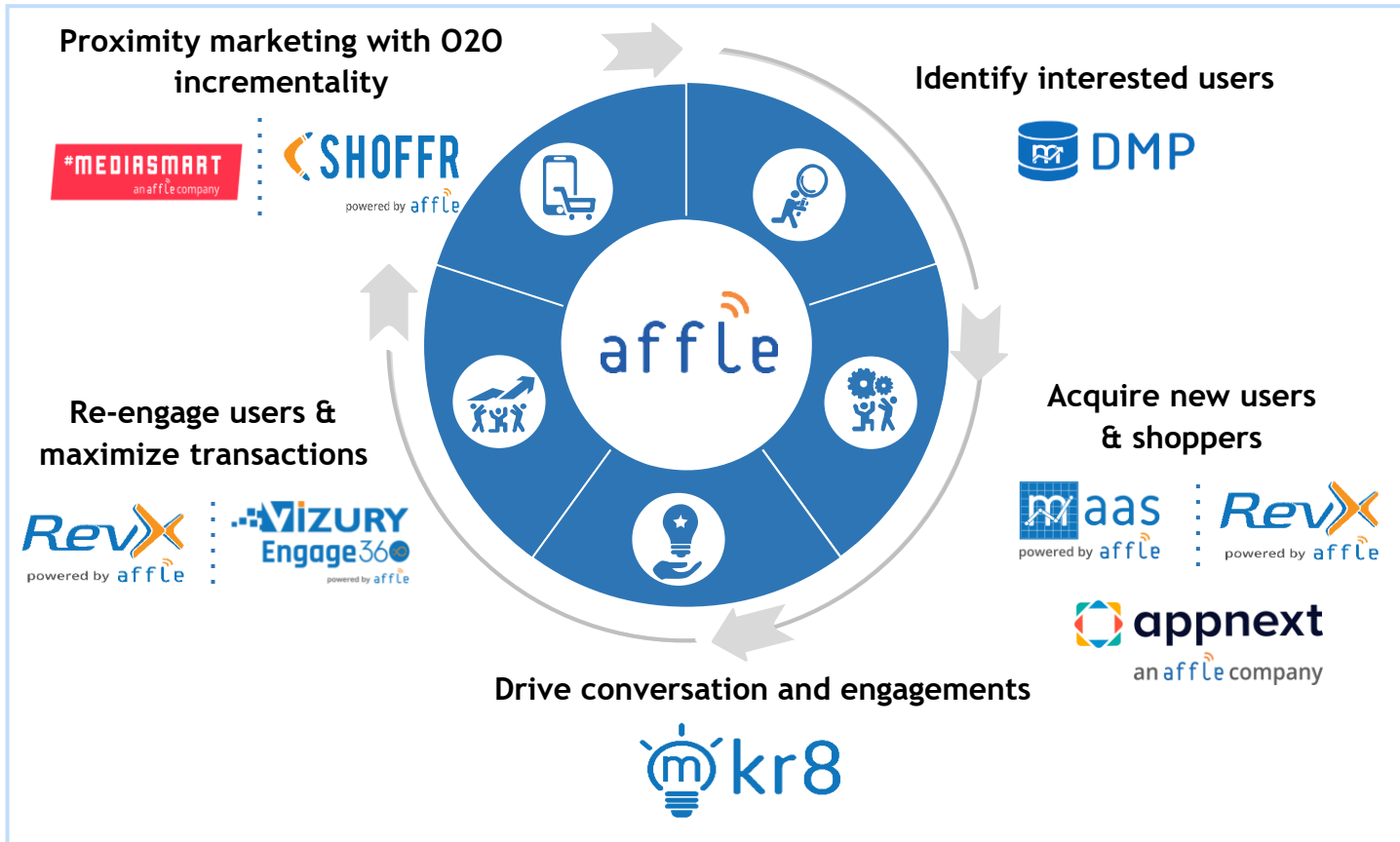
Data and quality focused mobile advertising platform-based solution



Note: 1. SSP - Supply Side Platform; API - Application Programming Interface; DMP - Data Management Platform

# 1 Technology and innovation powered growth

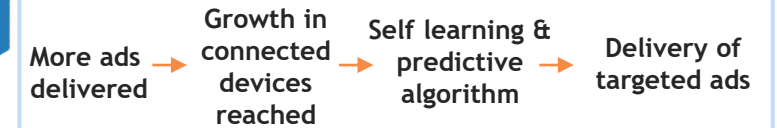
## Enabling an omni-channel connected ecosystem



## Asset light, automated and scalable platform



### Flexible and scalable



### Strong network effects

- Generate actionable outcomes, more businesses to use Affle's platforms



### In-house platform leveraging cloud computing infrastructure

- Securely process and store large scale data



### Proprietary and real time (RT)

- RT prediction and recommendation algorithm



### Research & development (R&D)

- 15 years of focused R&D and innovation



## 2 Robust IP portfolio addressing data privacy issues, ad fraud and futuristic tech use cases



### IP Portfolio / Data privacy

**9** Patents in US &/or Singapore and India

**3** Patents granted in US for digital advertising

- Consumer acceptable advertising
- Online search system method & computer program
- Extending the use and/or application of messaging systems

**1** Patent filed in US

- Partner pixelling for user identification

**1** Patent filed in US & India on livestreams

**4** Patents filed in US, Singapore & India related to futuristic tech use cases



### Ad Fraud

**9** Patents filed in US & India for digital ad fraud detection



Affle's real time solution for addressing mobile ad fraud, a major issue in digital advertising



**DMS | DIGIXX 2019**

**DIGIXX Awards 2019**  
mFaaS awarded Gold in 'Digital Marketing Excellence in Technology'



**IAMAI India Digital Awards 2017**  
mFaaS awarded as the industry-wide 'Best Big Data Technology Platform' of the Year



### Accreditation

**SG:D**  
**ACCREDITED**

**Singapore Government Organization**

Factors considered for technical assessment included security assessment, reliability & usability and maintainability assessment

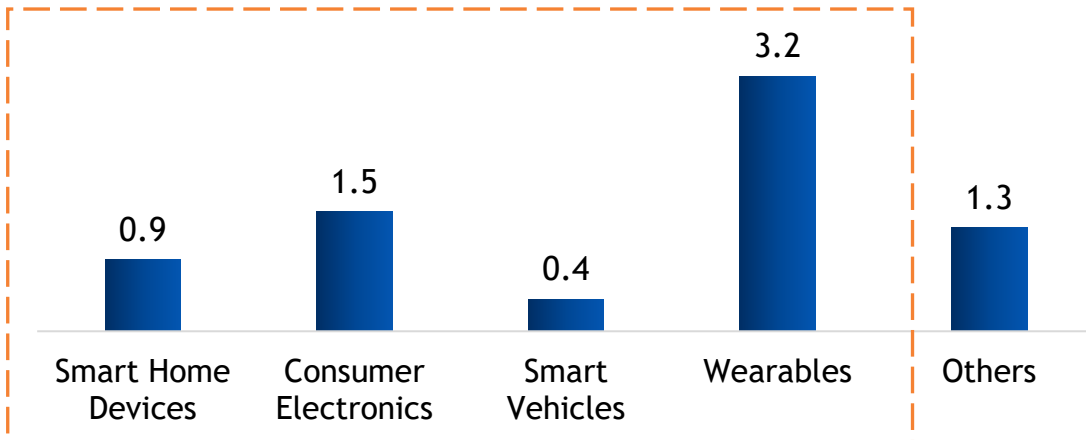
Business sustainability, scalability, leadership and management were other areas of assessment

# 3 Mobile connected global ecosystem growing robustly

## Global Industry Trends

**c.6bn<sup>1</sup>** new connected consumer devices to be added by 2025 globally

*Devices in billion*



*Global CAGR (FY20-25E)*

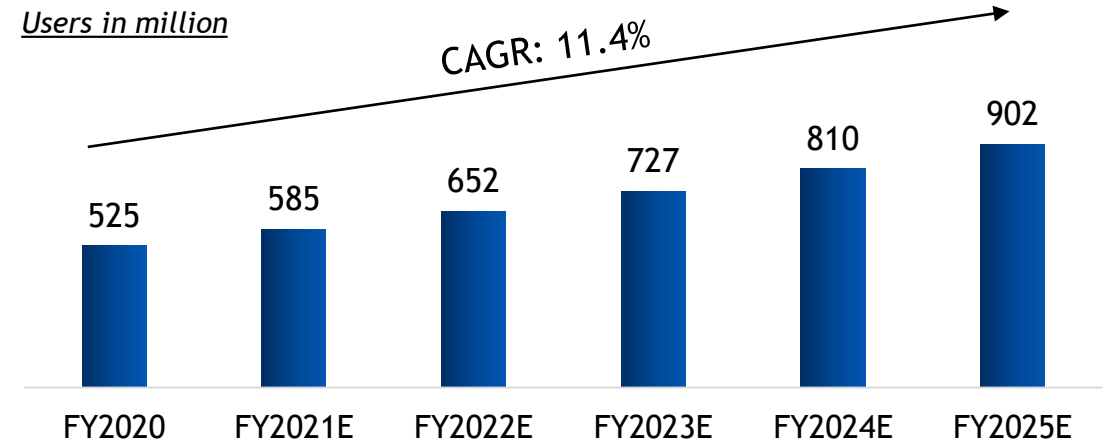
**9.0%**  
Digital Ad Spend

**11.3%**  
Mobile Ad Spend

## India Industry Trends

Significant increase in India's digital user base with strong user affinity

*Users in million*



*India CAGR (FY20-25E)*

**32.4%**  
Mobile Ad Spend

**24.0%**  
E-commerce Market

Source: Frost & Sullivan Report titled "Industry Insights on the Advertising and Ad Tech Market", 2021  
 Note: 1. Excluding wi-fi routers which is part of others category and may not be relevant to the mobile advertising industry

# 4 Leading position in India, operating in a market with substantial barriers to entry

Strong track record in fast growing Indian market characterized by low prevailing CPCUs and other unique challenges



**0.6bn<sup>1</sup>**  
Connected devices in India



**15+ years**  
Track Record



**49.7%**  
India revenue<sup>2</sup> (FY2021)

## Indian market - substantial barriers to entry

	<b>Disjointed demographics</b>	Wide variation in shopping patterns by audience segment makes optimization of marketing spends challenging
	<b>Price sensitivity</b>	India remains a low CPCU market vs. other global markets
	<b>User behaviour</b>	Online commerce penetration is still low in India and thus challenging to convert transacting users

## affle Strategic advantage

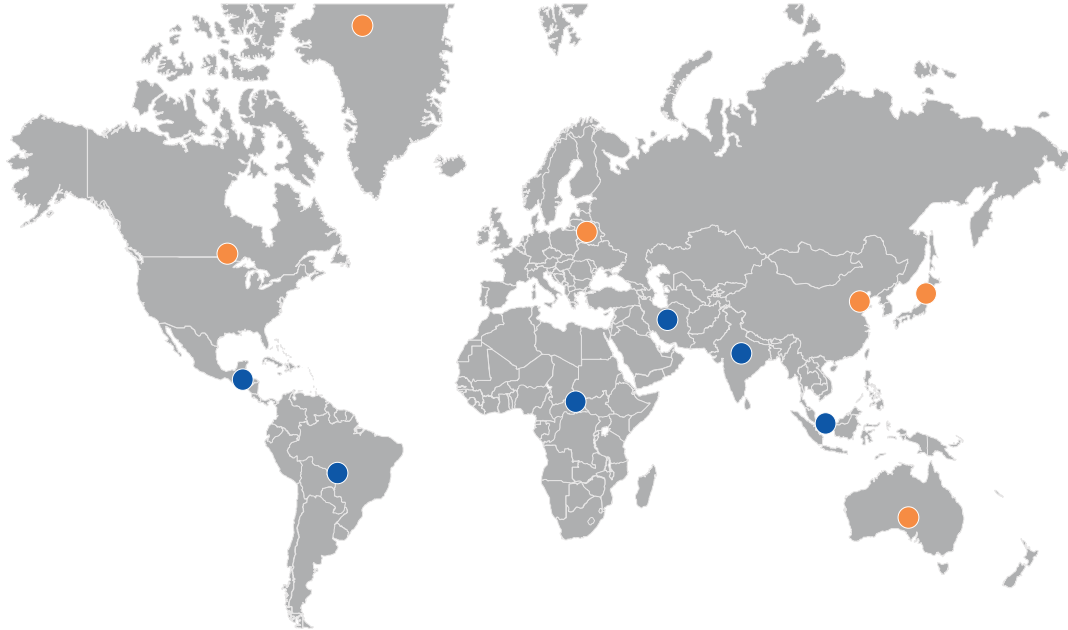
- ✓ Familiarity with local demographics
  - ✓ Track record of working with Indian brands
  - ✓ Predictive algorithm and strong network enabling precise consumer targeting
- 
- ✓ Track record of profitability in the low CPCU Indian market
- 
- ✓ Extensive consumer profile data, proprietary technology and local knowledge

Source: Company information, Frost & Sullivan Report titled "Industry Insights on the Advertising and Ad Tech Market", 2021

Notes: 1. For the 12 months period of April 31, 2020, to March 31, 2021; 2. Region-wise contribution and is different from the billing entity-wise segmental break-up disclosed in financial results

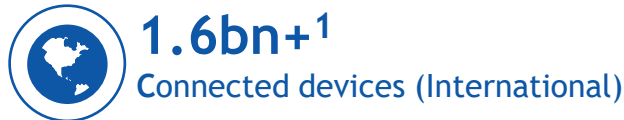
# 5 Global reach with a well-defined strategic growth plan

Strengthening our global reach with key focus on emerging markets...



**Primary markets:**  
India, South East Asia, Middle East & Africa and Latin America

**Other key markets:**  
North America, Europe and Japan, Korea and Australia



...with a strategic organic and inorganic growth plan

- Enhance revenue from existing and new customers & Strategically invest in inventory & data cost to reach the next billion shoppers on connected devices
- Expand the scope of products from just mobile to connected devices mapping consumers' end-to-end digital journey
- Penetrate further in emerging markets with a key focus on delivering more conversions across industry verticals
- Invest to develop and continuously enhance technological capabilities
- Further develop the fraud detection & prevention platform and address key industry challenges
- Continue to selectively pursue acquisitions
- Continue to invest in the 4V strategy of Vernacular, Verticalization, Voice and Video

Note: 1. For the 12 months period of April 1, 2020, to March 31, 2021, on a consolidated basis

# 6 Strong track record of growth and profitability

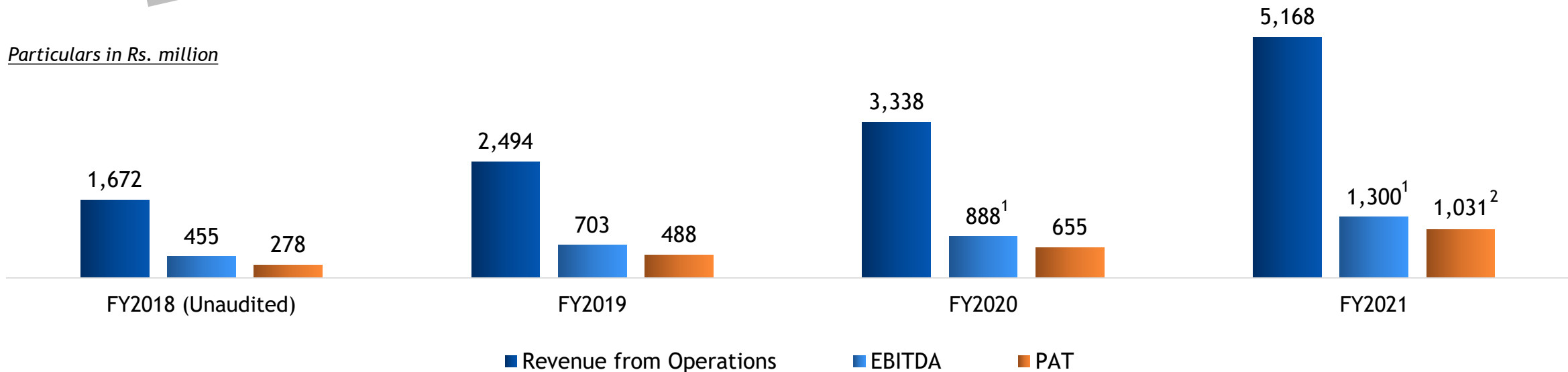
## Annual Performance Trend (Consolidated)

Revenue CAGR **45.7%**  
 EBITDA CAGR **41.9%**  
 PAT CAGR **54.7%**

CAGR (FY18 - FY21)

Y-o-Y Growth **54.8%** **46.4%** **57.4%**

*Particulars in Rs. million*

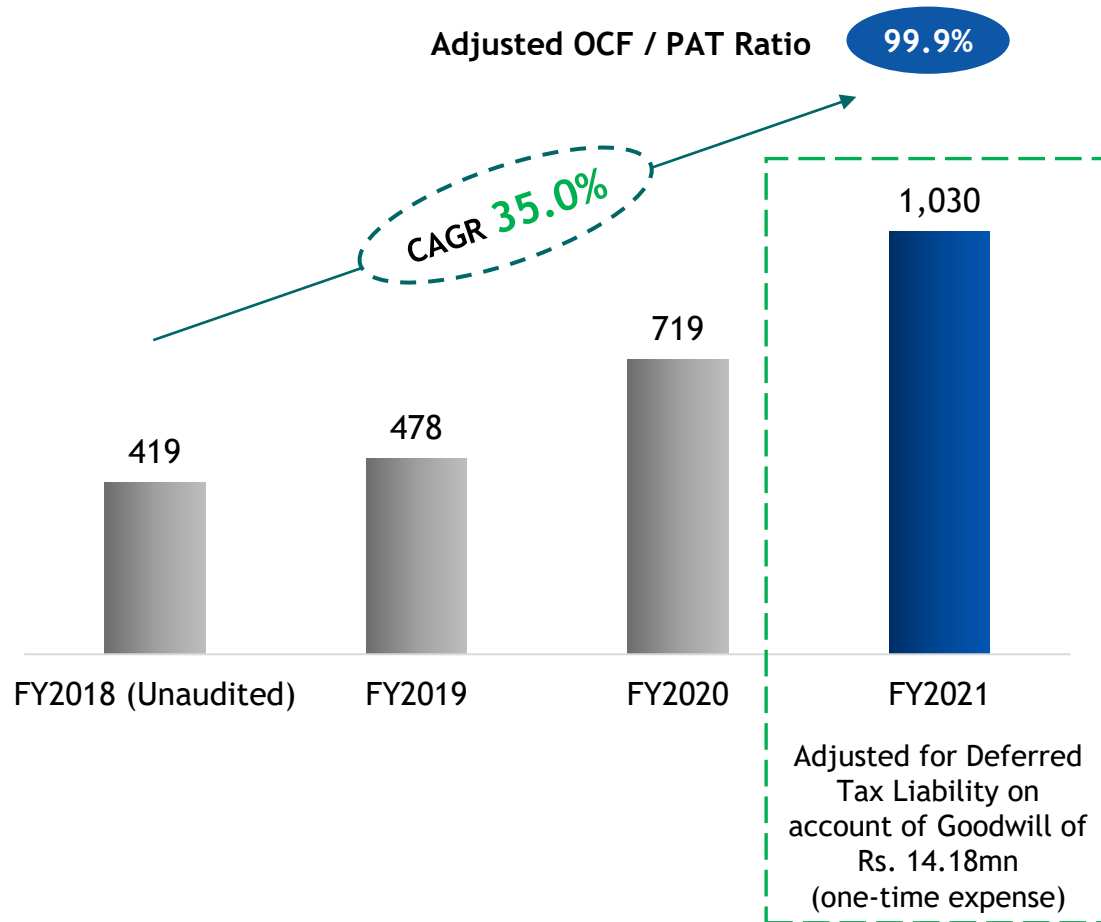


Note: 1) Creditors written back which are part of 'Other Income' in the reported financials, are operating income in nature and adjusted in EBITDA (Refer Appendix)

2) Normalized PAT (Refer Appendix for the detailed working)

## 6 Cashflows Trend and Return Ratios (Consolidated)

### Operating Cash Flows (Rs. mn)

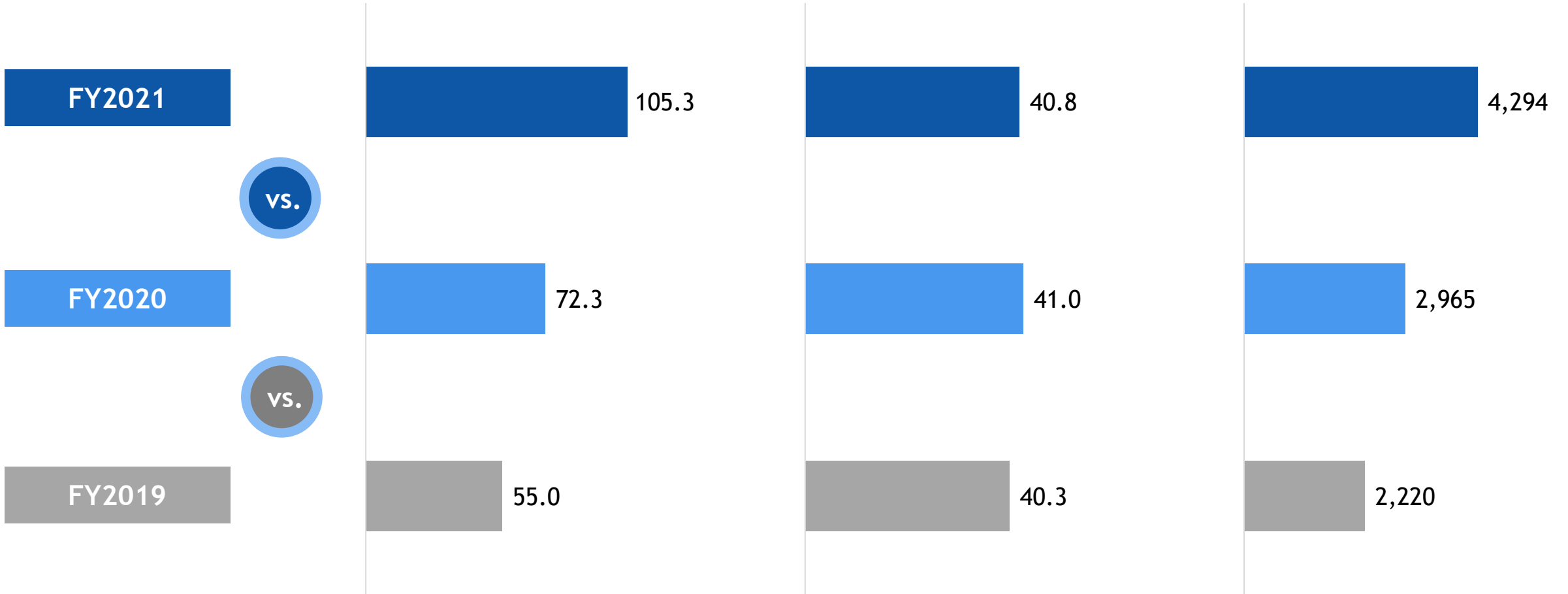


### Return Ratios (As of March 31, 2021)

*ROE (%) (Return on Equity)	37.6%
*ROCE (%) (Return on Capital Employed)	19.7%
*ROA (%) (Return on Assets)	17.9%
Gross Debt/Equity (x)	0.33x
Net Debt/Equity (x)	0.15x

# 6 CPCU Business | Annual Performance Trend (y-o-y)

# Converted Users (mn) × Average CPCU (Rs.) = CPCU Revenue (Rs. mn)



# 6 Verticalized focus on High Growth Categories

## Top 10 resilient verticals across E, F, G, H categories

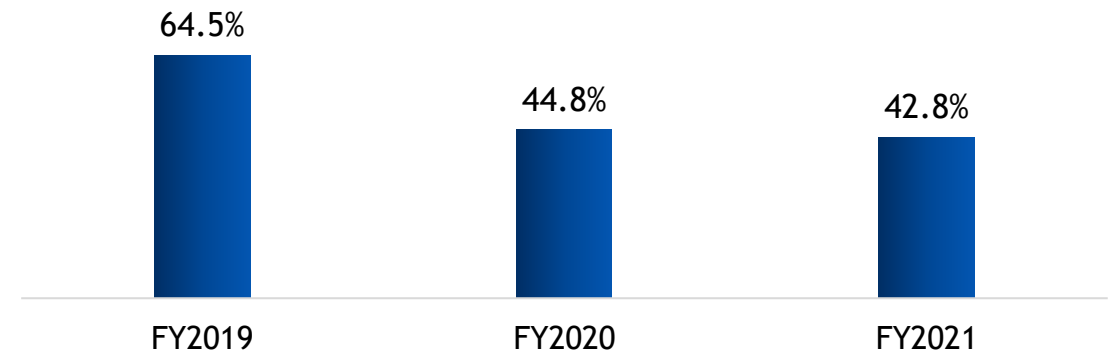
<p><b>Category E</b></p> E-commerce EdTech Entertainment	<p><b>Category F</b></p> Fintech Foodtech FMCG
<p><b>Category G</b></p> Gaming Government Groceries	<p><b>Category H</b></p> Healthtech

## Revenue contribution from E, F, G, H categories



## Increasing revenue diversity

Revenue contribution from top 10 customers (as % of consolidated revenue)

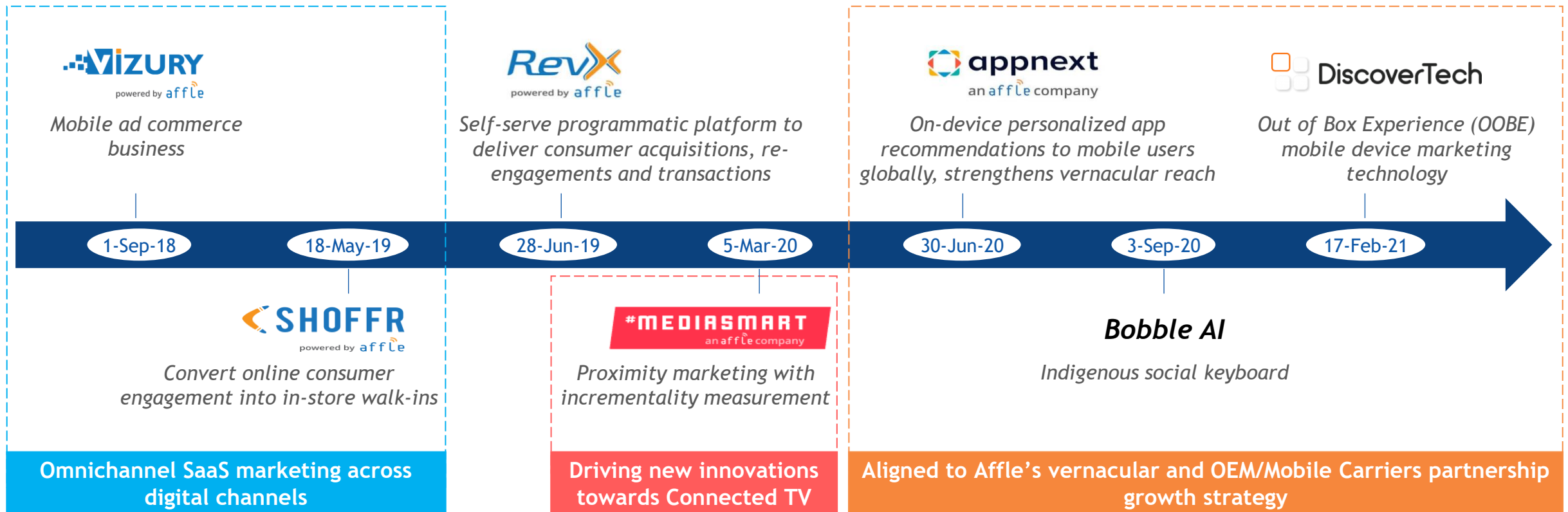




# 7 Affle 2.0 strategy guiding Company's vision and growth ahead

Affle 2.0 strategy powering growth across **connected devices**, anchored on **vernacular / verticalization / ecosystem-level partnerships**

## Strategic acquisitions & investments to complement the existing business<sup>1</sup>



Source: Company information

Note: 1. The dates refer to the closure/effective date of respective acquisitions

# 7 Entrepreneurial and committed leadership team executing the Company's strategic vision

## Key Management Team



**Anuj Khanna Sohum**  
*Managing Director & Chief Executive Officer*  
*Chairman of the Board*



**Anuj Kumar**  
*Chief Revenue & Operating Officer*  
*Executive Director*



**Charles Yong Jien Foong**  
*Chief Architect & Technology Officer*



**Kapil Mohan Bhutani**  
*Chief Financial & Operations Officer*



**Vipul Kedia**  
*Chief Data & Platforms Officer*



**Viraj Sinh**  
*Managing Partner - International*



**Elad Natanson**  
*Chief Executive Officer (Appnext)*



**Eran Kariti**  
*Chief Technology Officer (Appnext)*



**Guillermo Fernandez Sanz**  
*Chief Technology Officer*  
*(Mediasmart)*



**Martje Abeldt**  
*Chief Revenue Officer (RevX)*



**Noelia Amoedo**  
*Chief Executive Officer (Mediasmart)*



**Sujoy Golan**  
*Chief of Marketing & Omnichannel*  
*Platforms*

## Non-Executive Board Members



**Sumit Mamak Chadha**  
*Non-Executive Independent Director*



**Vivek Narayan Gour**  
*Non-Executive Independent Director*



**Bijynath**  
*Non-Executive Independent Director*



**Mei Theng Leong**  
*Non-Executive Director*

## Advisors to the Board



**Richard Alan Humphreys**  
*Advisor of Affle (India) Limited, Director of*  
*Affle Holdings Pte. Ltd. (AHPL)*



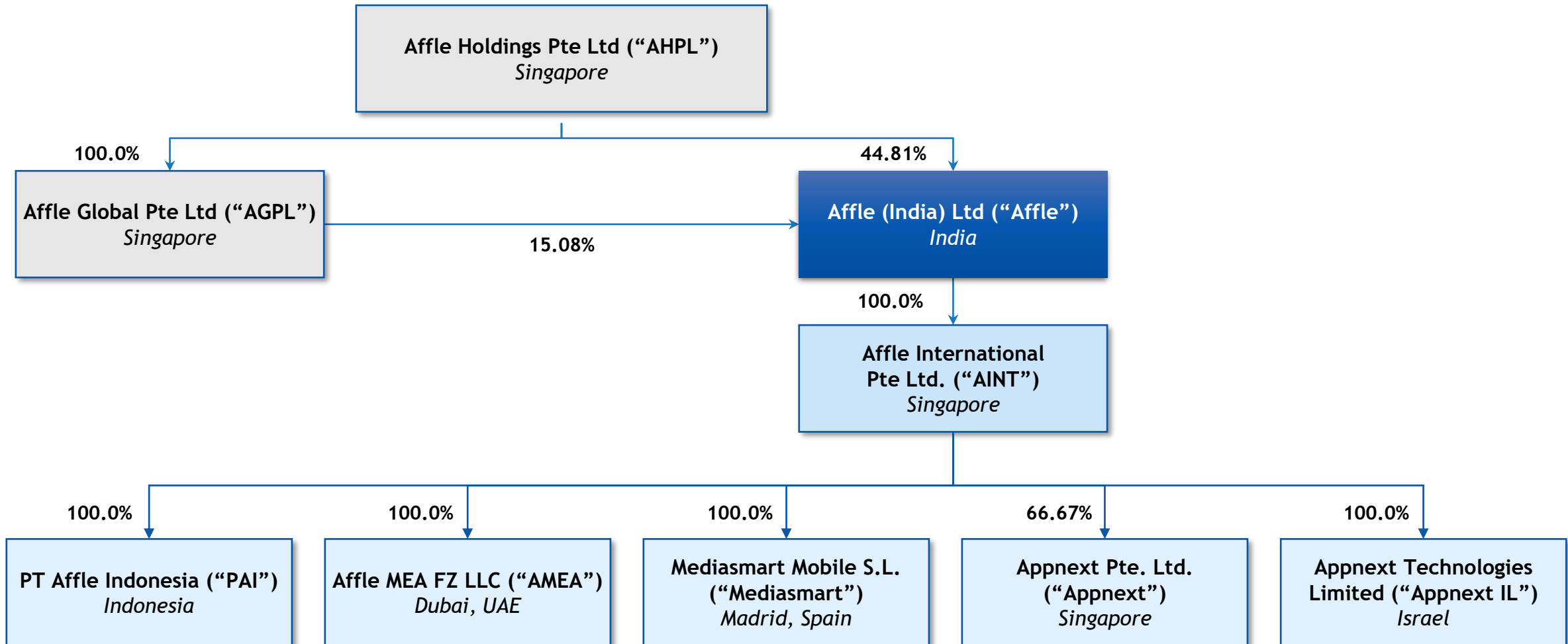
**Jay Snyder**  
*Advisor Affle (India) Limited*  
*Independent Observer, On Board of AHPL*

A large, light gray network diagram is overlaid on the left side of the page. It features a complex web of interconnected nodes and lines, representing a global or digital network. The nodes are small circles, and the lines are thin, creating a mesh-like structure that fills the left half of the page.

# Appendix

Shareholding structure, Financial Summary and  
Investors Information

# Shareholding structure (As on date)



# Consolidated Financial Summary

In Rs. million	Q4 FY2021	Q4 FY2020	Y-o-Y Growth	12M FY2021	12M FY2020	Y-o-Y Growth
<b>Revenue from Contracts with Customers</b>	<b>1,416</b>	<b>800</b>	<b>76.9%</b>	<b>5,168</b>	<b>3,338</b>	<b>54.8%</b>
Inventory and Data Costs	812	459	76.9%	2,977	1,921	54.9%
Employee Benefits Expense	164	64	154.4%	540	273	97.8%
Other Expenses	95	75	26.9%	354	265	33.9%
Add: Creditors written back <sup>1</sup> (Other Operating Income)	1	9		3	9	
<b>EBITDA</b>	<b>345</b>	<b>211</b>	<b>63.4%</b>	<b>1,300</b>	<b>888</b>	<b>46.4%</b>
<i>% EBITDA Margin</i>	<i>24.3%</i>	<i>26.1%</i>		<i>25.1%</i>	<i>26.5%</i>	
Depreciation and Amortisation Expense	52	48		196	133	
Finance Costs	13	6		36	14	
Other Income (Excl. Creditors written back)	360	25		412	52	
<b>Profit Before Tax</b>	<b>640</b>	<b>182</b>	<b>252.4%</b>	<b>1,479</b>	<b>792</b>	<b>86.7%</b>
Total Tax	54	29		129	137	
(Subtract): Non-controlling Interest	1	0		2	0	
<b>Profit After Tax (Net of Non-controlling interest)<sup>2</sup></b>	<b>585</b>	<b>153</b>	<b>282.7%</b>	<b>1,348</b>	<b>655</b>	<b>105.8%</b>
<i>% PAT Margin</i>	<i>32.9%</i>	<i>18.3%</i>		<i>24.1%</i>	<i>19.3%</i>	

Calculation of Normalized 'Profit After Tax'						
<b>1. Other Income (Excl. Creditors written back) comprises:</b>						
1.a. Gain on revaluation of financial instruments	340	-		340	-	
1.b. Other Income in ordinary course of business	20	25		72	52	
<b>2. Tax outgo on Gain on financial instruments</b>	<b>9</b>	<b>-</b>		<b>9</b>	<b>-</b>	
<b>3. Deferred Tax Liability on account of Goodwill</b>	<b>12</b>	<b>-</b>		<b>14</b>	<b>-</b>	
<b>Normalized PAT</b>	<b>265</b>	<b>153</b>	<b>73.6%</b>	<b>1,031</b>	<b>655</b>	<b>57.4%</b>
<i>Normalized PAT Margin %</i>	<i>18.5%</i>	<i>18.3%</i>		<i>19.7%</i>	<i>19.3%</i>	

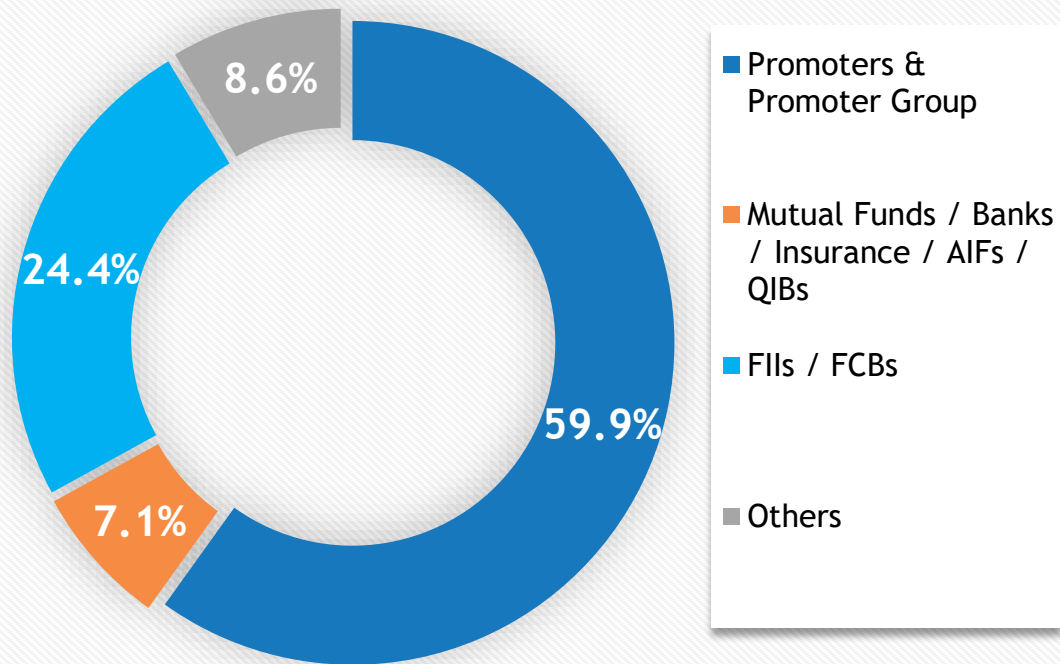
PAT - (1.a.)  
+ (2.) + (3.)

Note: 1) For clarity, creditors written back which are part of 'Other Income' in the reported financials, are operating income in nature and adjusted in EBITDA  
2) Q4 & 12M FY2021 PAT attributable to equity holders of the Company after subtracting Non-controlling interest (On account of 5% shares of Appnext Pte. Ltd., Singapore)

# Affle | Investors Information

## Shareholding Pattern

Total Shares Outstanding as on date - 26,650,212



## Brokerages Covering Affle\*

*Institutional Research Desk*

Nomura

Dolat Capital

Dalal & Broacha

ICICI Securities

*HNI / Retail Desk*

Sharekhan

Axis Securities

ICICI Direct

*\*In order of coverage initiated*

## Key Market Updates

- ✓ Constituent of MSCI Global & Domestic Small Cap Indexes; Nifty MidSmallcap 400 and Nifty Smallcap 250 Indexes
- ✓ Ranked amongst top 250 companies on NSE & BSE

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