



Affle (India) Limited

Q1 FY2022 Earnings Presentation

For the period ended June 30, 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 | Performance Highlights

Revenue¹ Growth

Q1 FY2022 vs. Q1 FY2021

 Up **69.8%**

Y-o-Y

EBITDA Growth

 Up **56.0%**

Y-o-Y

*PAT Growth

**Normalized PAT (Refer slide 4 for the detailed working)*

 Up **57.2%**

Y-o-Y

Q1 FY2022 vs. Q4 FY2021

 Up **7.7%**

Q-o-Q

 Up **1.7%**

Q-o-Q

 Up **11.2%**

Q-o-Q

Key Ratios Q1 FY2022

Operating Cash Flow / PAT: **134.2%**

LTM ROE: **37.4%

LTM ROCE: **16.0%

Note: 1) Revenue from contract with customers

**Adjusted for net QIP proceeds, QIP assets utilized and for the interest on FDs earned out of QIP proceeds as of June 30, 2021; Last Twelve Months (LTM) = FY2021 + Q1 FY2022 - Q1 FY2021

Consolidated Financial Summary

In Rs. million	Q1 FY2022	Q1 FY2021	Y-o-Y Growth	Q4 FY2021	Q-o-Q Growth
Revenue from Contracts with Customers	1,525	898	69.8%	1,416	7.7%
Inventory and Data Costs	884	516	71.3%	812	8.8%
Employee Benefits Expense	188	83	124.7%	164	14.5%
Other Expenses	102	73	39.3%	95	7.5%
Add: Creditors written back ¹ (Other Operating Income)	-	-		1	
EBITDA	351	225	56.0%	345	1.7%
<i>% EBITDA Margin</i>	<i>23.0%</i>	<i>25.0%</i>		<i>24.3%</i>	
Depreciation and Amortisation Expense	52	43		52	
Finance Costs	14	5		13	
Other Income (Excl. Creditors written back, if any)	127	25		360	(64.7%)
Profit Before Tax	412	201	104.7%	640	
Total Tax	53	13		54	
(Subtract): Non-controlling Interest	2	0		1	
Profit After Tax (Net of Non-controlling interest)²	357	188	90.3%	585	
<i>% PAT Margin</i>	<i>21.6%</i>	<i>20.4%</i>		<i>32.9%</i>	

Q4 FY21 had higher 'Other Income' on account of higher gain on fair valuation of investments & rights

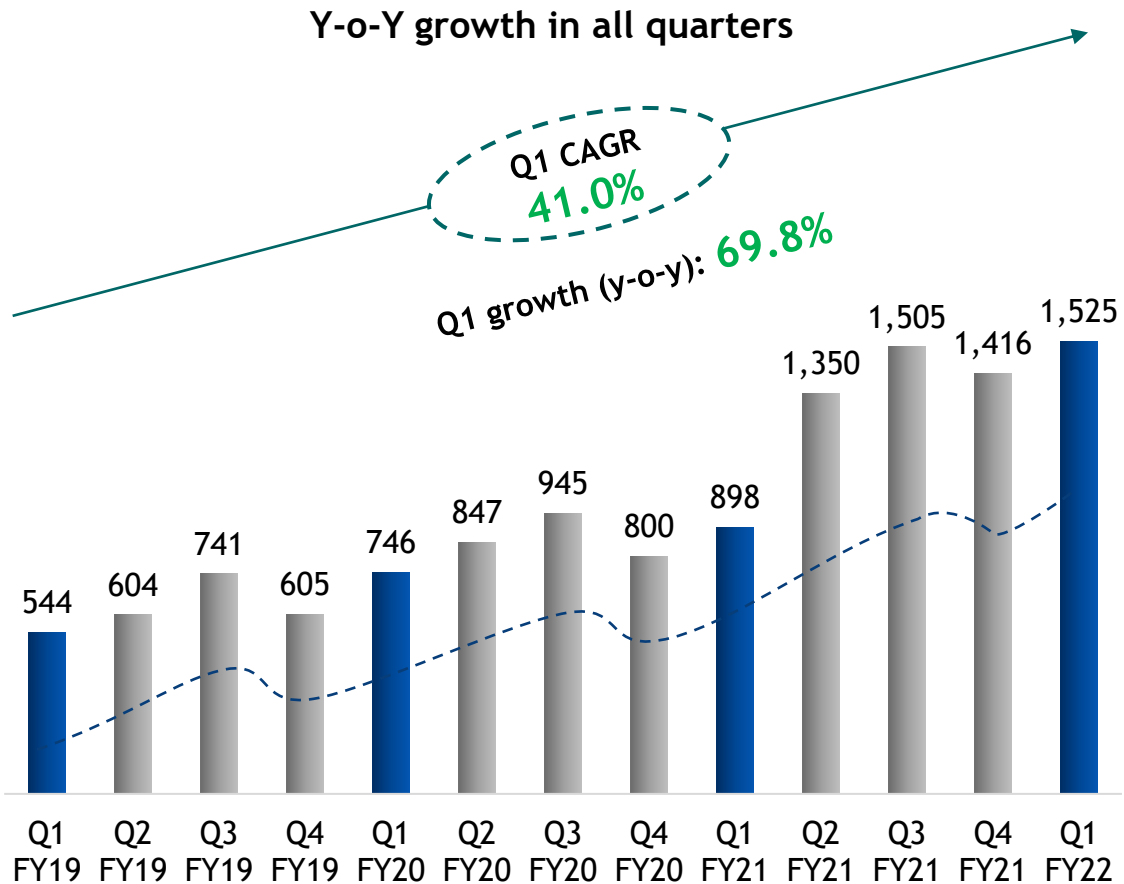
Calculation of Normalized 'Profit After Tax'					
1. Other Income (Excl. Creditors written back) comprises:					
1.a. Gain on fair valuation of financial instruments	83	-		340	(75.5%)
1.b. Other Income in ordinary course of business	44	25		20	
2. Tax outgo on Gain on financial instruments	21	-		9	
3. Deferred Tax Liability on account of Goodwill	-	-		12	
Normalized PAT	295	188	57.2%	265	11.2%
<i>Normalized PAT Margin %</i>	<i>18.8%</i>	<i>20.4%</i>		<i>18.5%</i>	

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

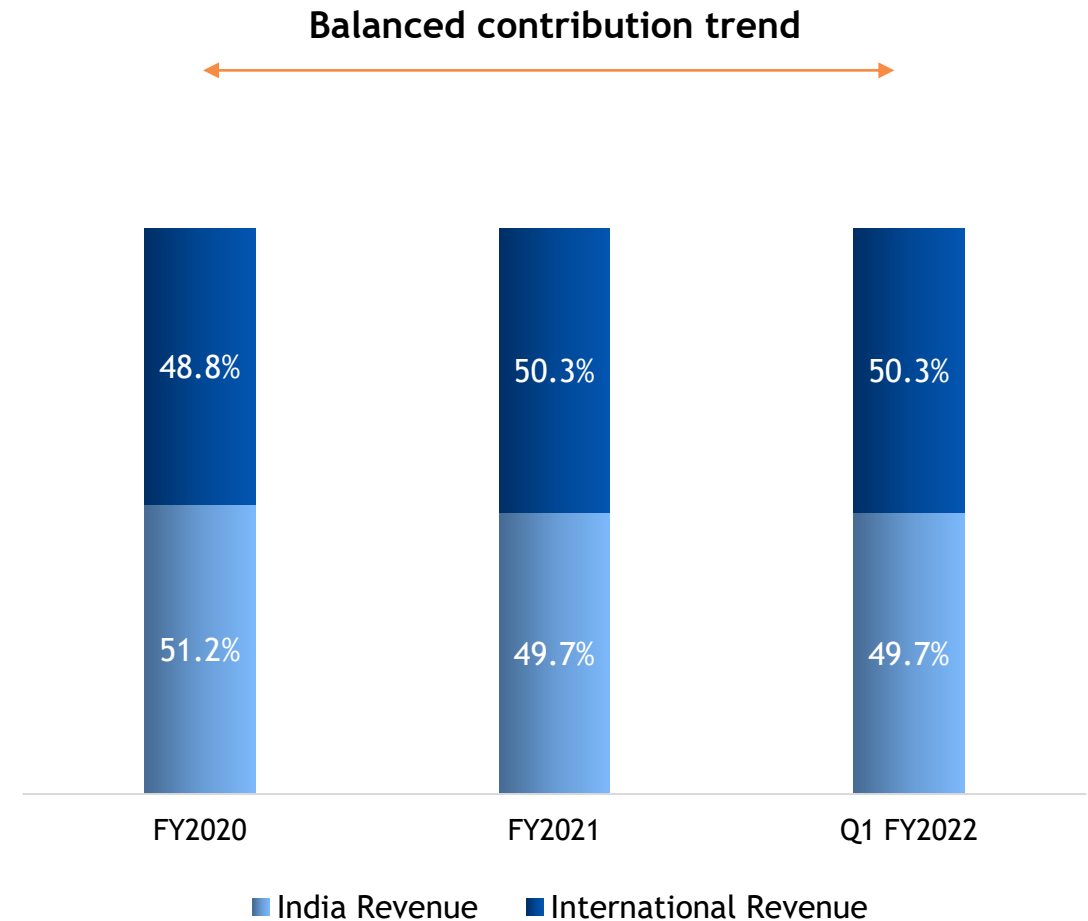
Note: 1) For clarity, creditors written back which are part of 'Other Income' in the reported financials, are operating income in nature and adjusted in EBITDA
2) PAT attributable to equity holders of the Company after subtracting Non-controlling interest (On account of 5% shares of Appnext Pte. Ltd.,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

Quarterly Performance Trend (Consolidated)

Revenue from Operations (Rs. mn)



Revenue Contribution (India vs. International)



Note: Q3 continues to be highest quarter during the year on account of business seasonality

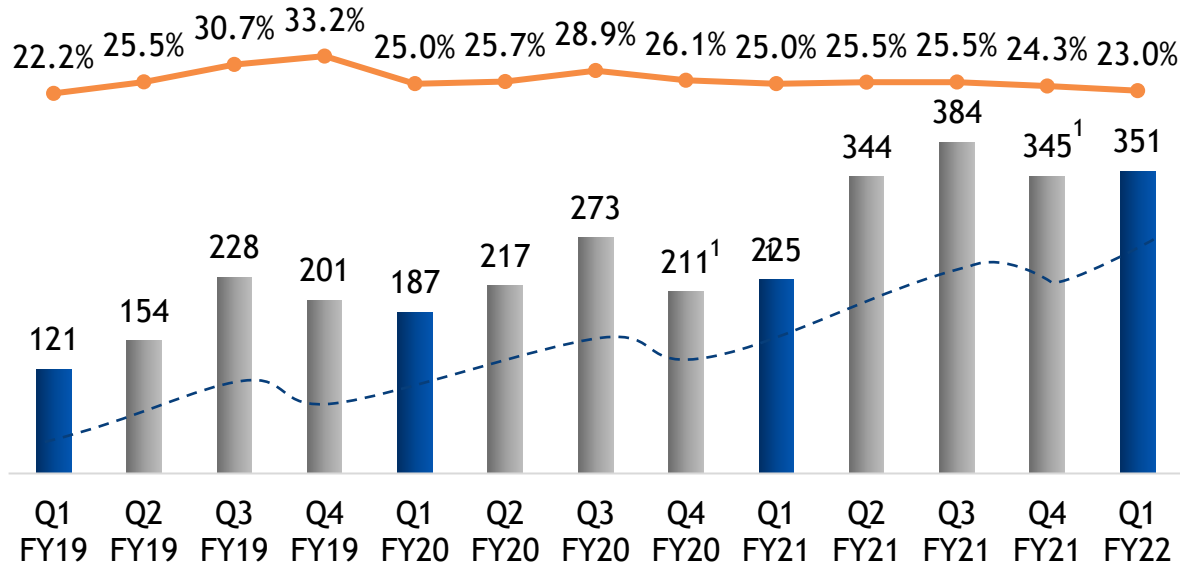
Quarterly Performance Trend (Consolidated)

EBITDA (Rs. mn) & EBITDA Margin (%)

Y-o-Y growth in all quarters

Q1 CAGR
42.7%

Q1 growth (y-o-y): 56.0%

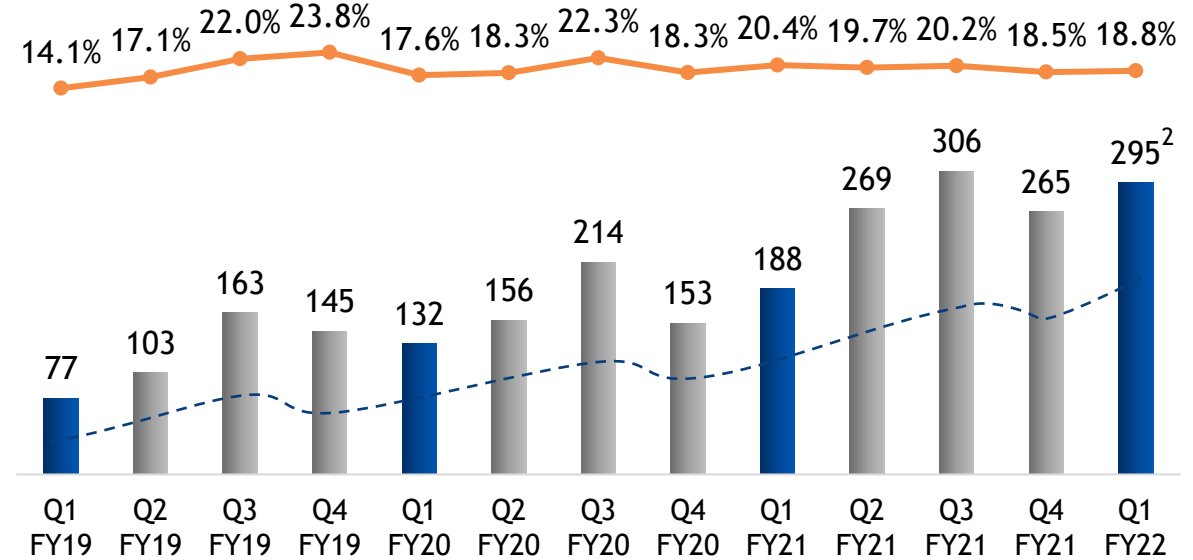


PAT (Rs. mn) & PAT Margin (%)

Y-o-Y growth in all quarters

Q1 CAGR
56.4%

Q1 growth (y-o-y): 57.2%

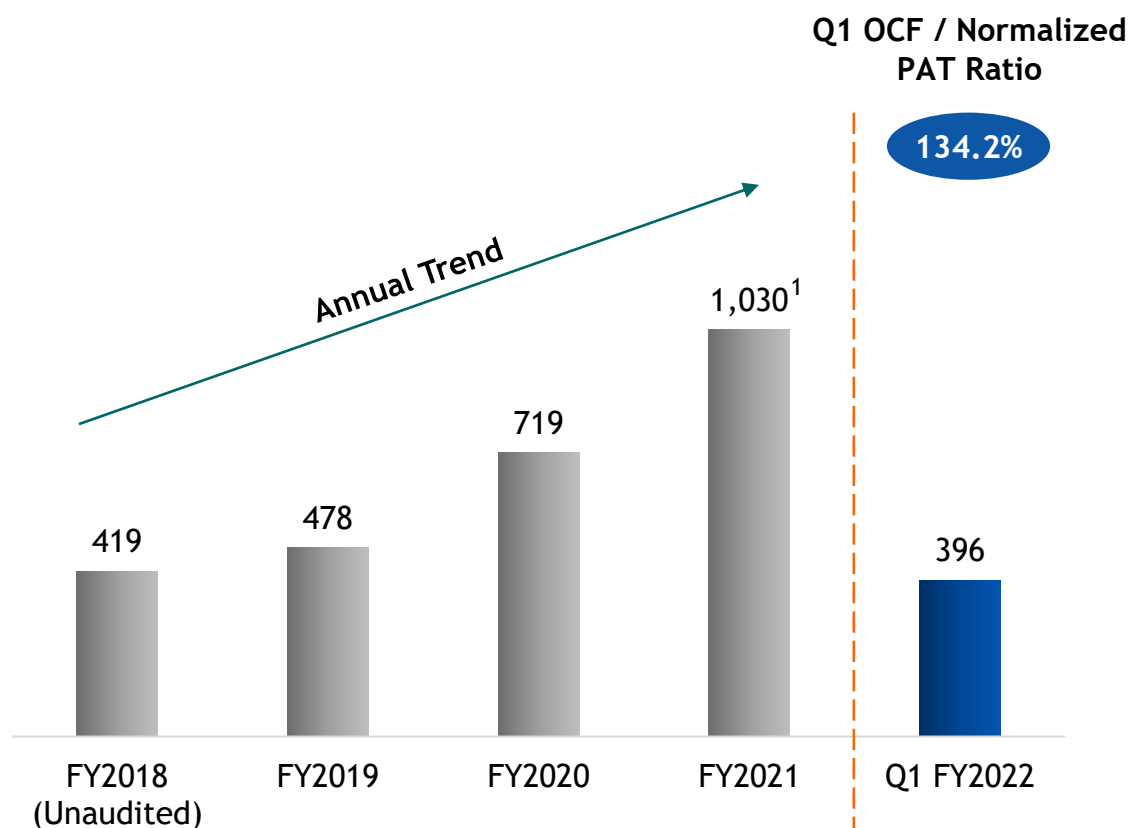


Note: 1) Creditors written back which are part of 'Other Income' in the reported financials, are operating income in nature and adjusted in EBITDA

2) Normalized PAT (Refer slide 4 for the detailed working)

Cashflows Trend and Return Ratios (Consolidated)

Operating Cash Flows (Rs. mn)



Return Ratios (As of June 30, 2021)

Adjusted² and on an LTM³ basis

**ROE (%) (Return on Equity)	37.4%
**ROCE (%) (Return on Capital Employed)	16.0%
**ROA (%) (Return on Assets)	15.2%
Gross Debt/Equity (x)	0.38x
Net Debt/Equity (x)	0.16x

Note: 1) FY2021 OCF was adjusted for Deferred Tax Liability on account of Goodwill of Rs. 14.18mn (one-time expense); 2) Ratios are adjusted for net QIP proceeds, QIP assets utilized and for the interest on FDs earned out of QIP proceeds, as of June 30, 2021; 3) Last Twelve Months (LTM) = FY2021 + Q1 FY2022 - Q1 FY2021

**Return on Equity = (PAT / Total Shareholder's Equity); Return on Capital Employed = [EBIT / (Total Assets - Current Liabilities)]; Return on Assets = (PAT/Total Assets)

CPCU Business | Q1 Performance Trend (y-o-y)

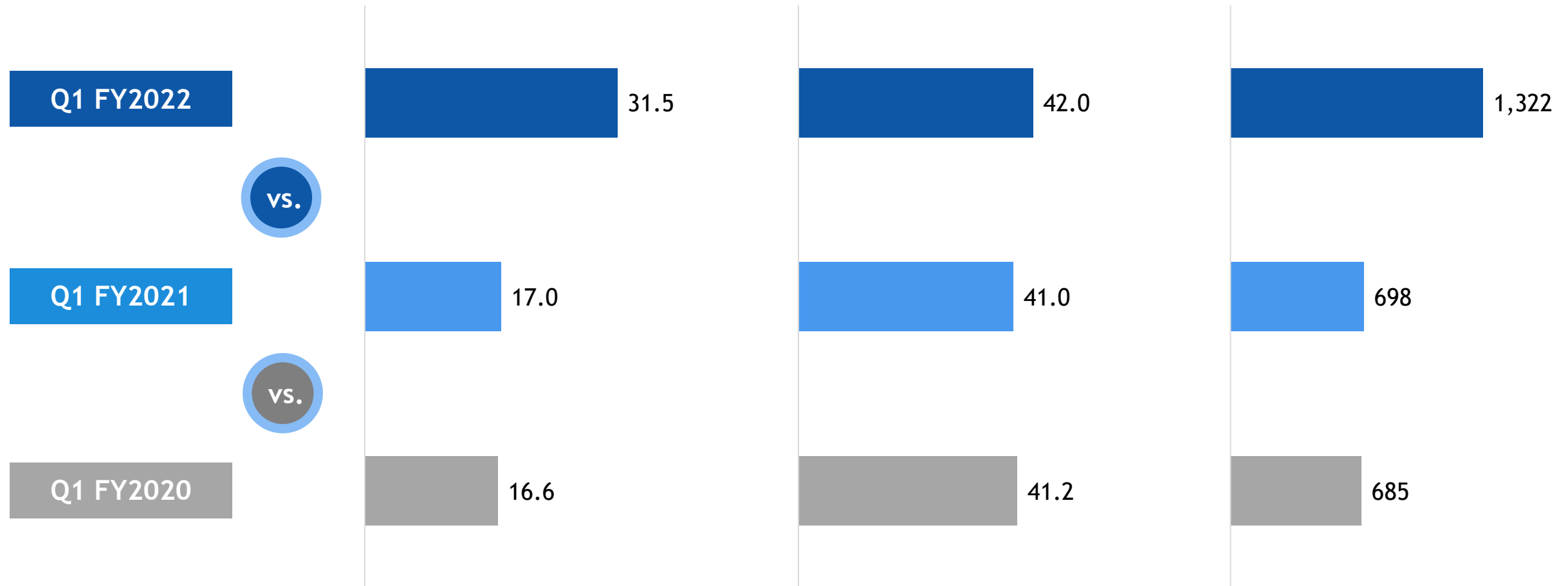
Converted Users (mn)



Average CPCU (Rs.)



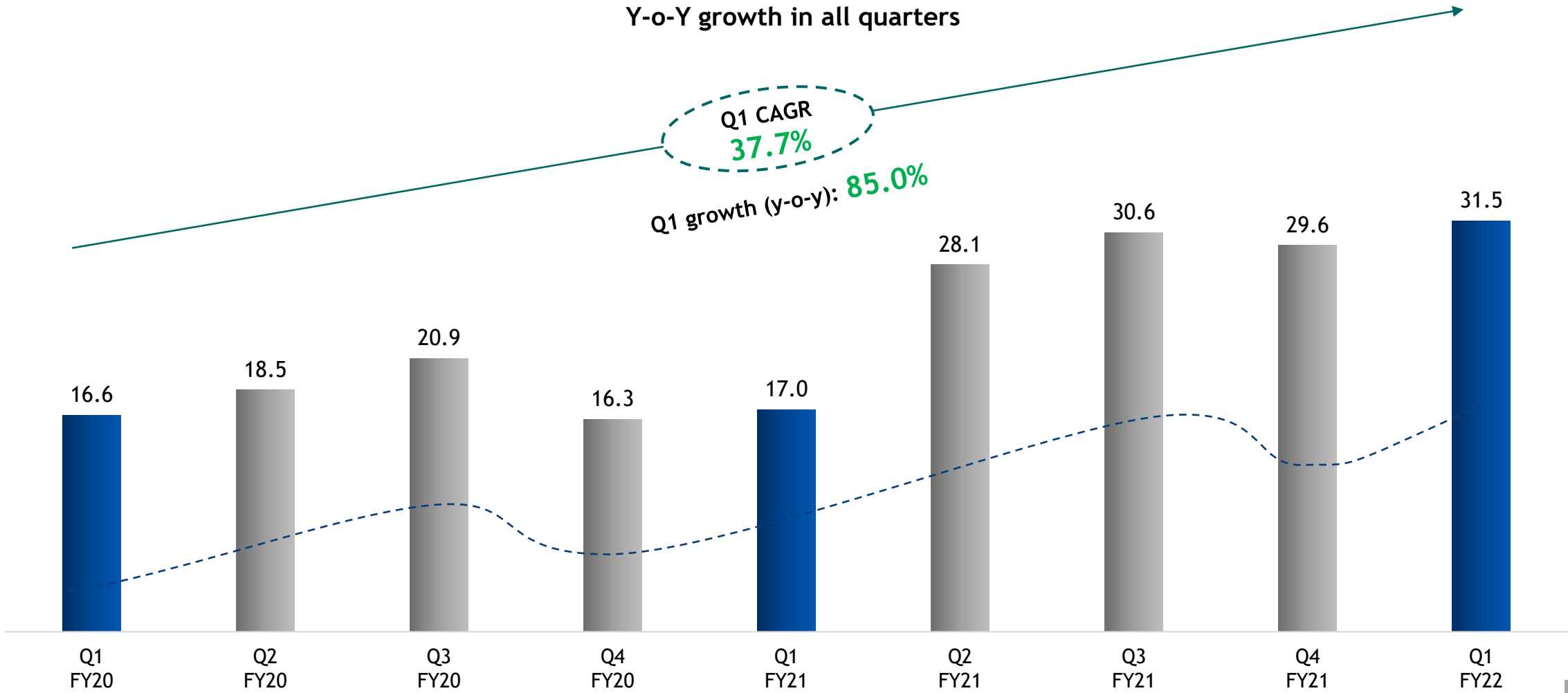
CPCU Revenue (Rs. mn)



CPCU Business | Conversions Trend

Converted Users (mn)

Y-o-Y growth in all quarters

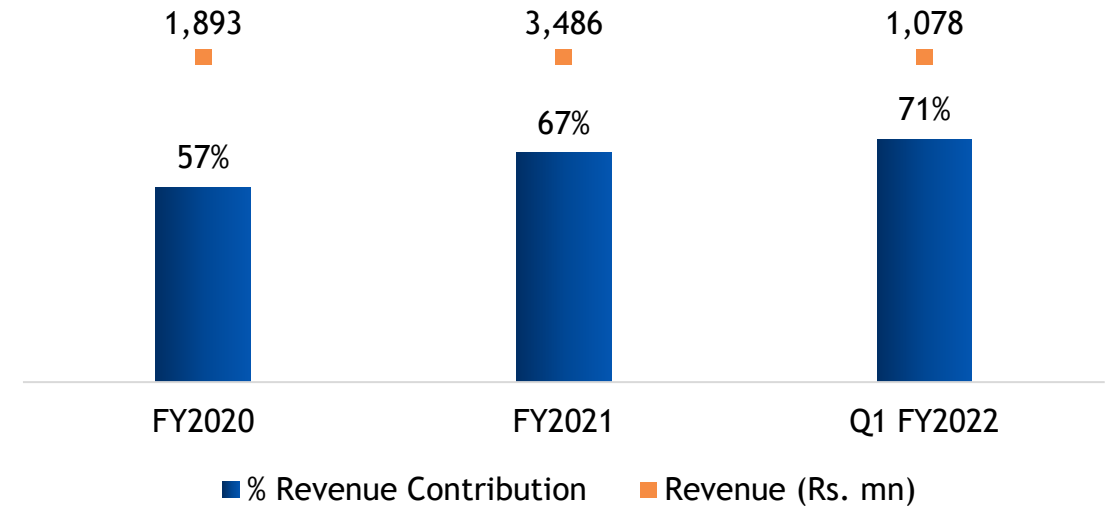


Verticalized Focus on High Growth Categories

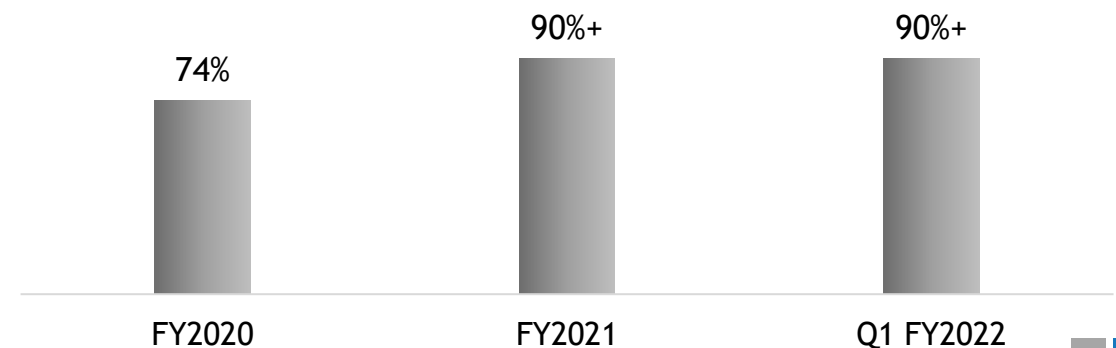
Top 10 Resilient Verticals across E, F, G, H Categories



Direct Customers Growth Primarily Powered by E, F, G, H Categories



Revenue Contribution from E, F, G, H Categories



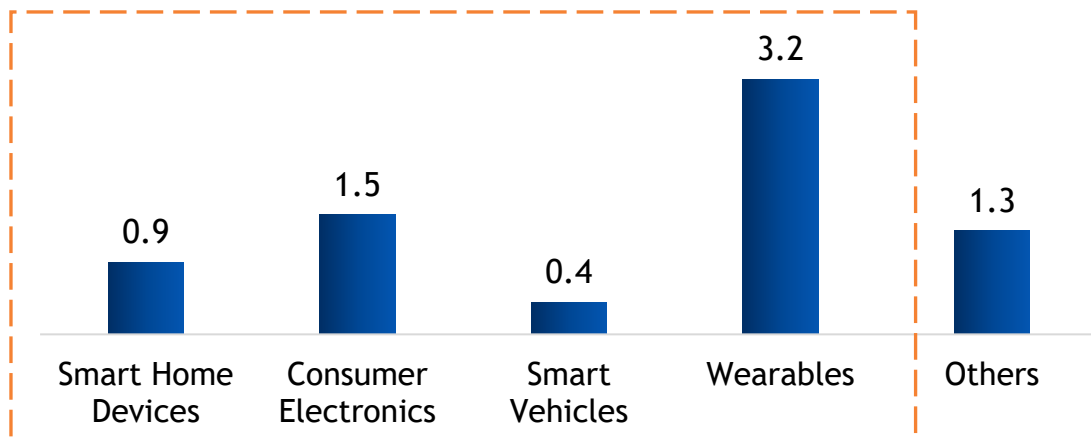
Mobile Connected Global Ecosystem Growing Robustly

Global Industry Trends



c.6bn new connected consumer devices to be added by 2025 globally

Devices in billion



Global CAGR (FY20-25E)

9.0%

Digital Ad Spend

11.3%

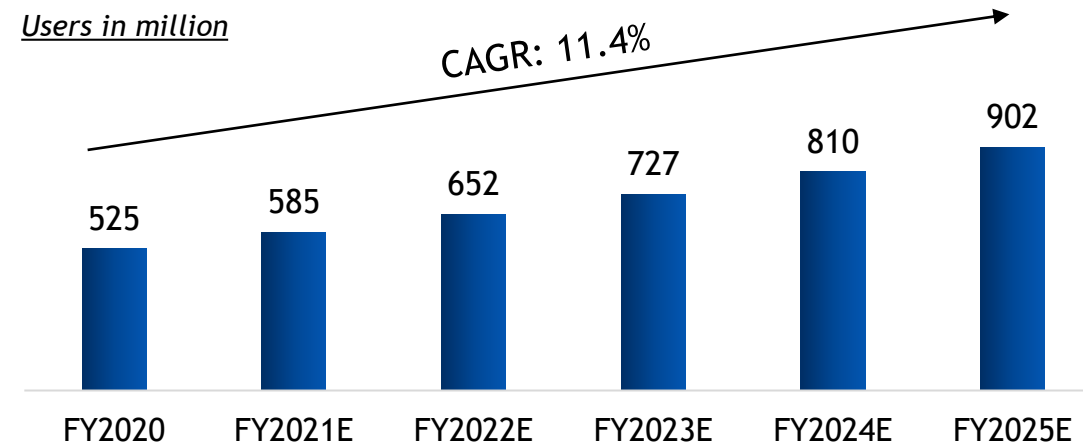
Mobile Ad Spend

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

Affle | Recent Developments and Recognitions



Affle completed the patent transfer from Appnext Limited to Affle MEA FZ-LLC, an indirect wholly-owned subsidiary of the Company. This patent filed in US is related to the predictive modelling of mobile users' behaviour to power the on-device app recommendation technology and further strengthens our global IP portfolio.



As a post quarter event (July 1, 2021), Affle completed the acquisition to acquire full control, tech IP assets and 100% ownership of Jampp, a global programmatic mobile marketing company. Jampp strengthens Affle's CPCU business model and enables Affle to expand into fast-growing markets like US and LATAM, while further consolidating its position in the APAC.

ESG@Affle | Being Intelligent. Being Sustainable

Monitoring Framework, Governance and Principles

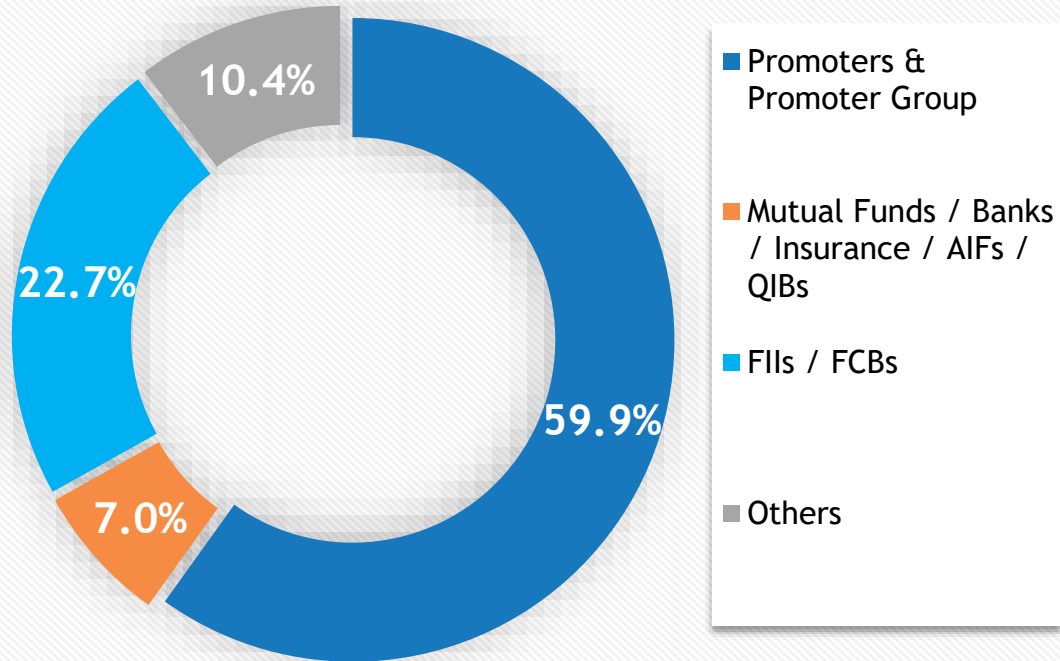


Guided by Materiality topics and United Nation Sustainable Development Goals

Affle | Investors Information

Shareholding Pattern (As on June 30, 2021)

Total Shares Outstanding - 26,650,212



*Brokerages Covering Affle (Latest)

*Institutional
Research
Desk*

Nomura

Dolat Capital

Dalal &
Broacha

ICICI Securities

Bank of Baroda
Capital

*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

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 (**98.8% 3M FY22 revenue**)¹
- 2) **Enterprise Platform:** Enabling offline businesses to go online through App development, O2O² commerce & data analytics (**1.2% of 3M FY22 revenue**)¹



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^{1,3}
Q1 FY2022

50.3%
International revenue^{1,3}
Q1 FY2022



END TO END MOBILE ADVERTISING PLATFORM

- In-house data management platform with over **2.3 Bn⁴** 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

3	9	1	6
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 US, India and/or Singapore



FINANCIAL SUMMARY⁵ (12M FY2021 Consolidated)

Revenue	Rs. 5,168mn
EBITDA	Rs. 1,300mn
PAT	Rs. 1,031mn

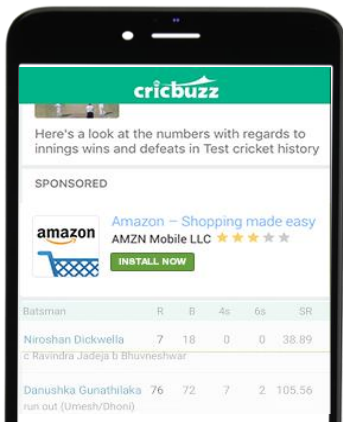
1) For three months ended June 30, 2021 on a consolidated basis; 2) O2O: Online to Offline; 3) Region-wise contribution and is different from the billing entity-wise segmental break-up disclosed in financial results; 4) For the 12 months period of July 1, 2020 to June 30, 2021; 5) Refer our Q4 FY2021 Earnings Presentation for detailed financial working and adjustments

Affle | Cost Per Converted User (CPCU) Business

87.8% of Consumer Platform revenue contributed by CPCU model in Q1 FY2022 and 12.2% from Non-CPCU



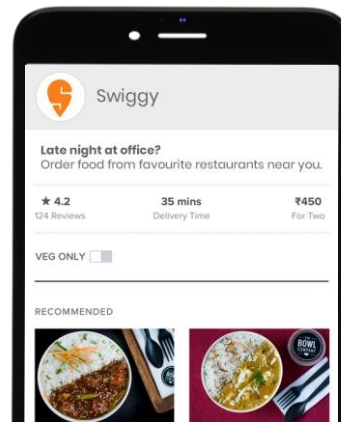
New user conversion
(online)



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



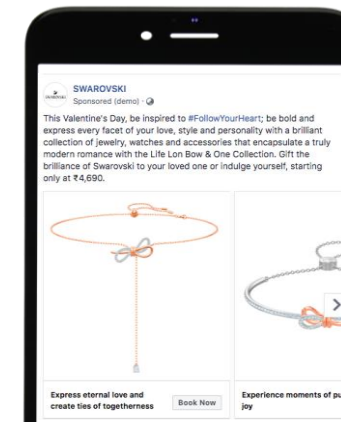
Existing user repeat
conversion (online)



Use Case - Target interested user to complete the transaction



New/existing user
conversion (offline)



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

Affle Consumer Platform Case Studies

1. Swiggy | Driving business growth in India
2. KFC | Boosting at home orders in Malaysia
3. Levi's | Growing offline conversions in Indonesia

Swiggy | Driving business growth in India

About the Advertiser

Swiggy is India's leading online food ordering & delivery platform

Objective

Drive business growth through acquisition of high-quality new users having higher propensity of ordering

Affle Consumer Platform Solutions

Affle's Consumer platforms helped Swiggy with its three-pronged approach

- Audience intelligence & Predictive modelling to reach high potential users
- Creative optimisation to deliver hyper personalised ads to maximise impact
- Daypart and Location led targeting to drive Incremental conversions

Results

- 177% Increase in shopping conversions from new users
- 3.2X Scale in post install orders
- Greater ROI realization by driving higher conversions



KFC | Boosting at home orders in Malaysia

About the Advertiser

KFC is a global leader in the quick service restaurant business

Objective

In the pandemic era in Malaysia, Ramadan celebrations were to be at home vs. in-restaurant this year. The key objective for KFC was to grow at home orders by acquiring high-intent new users to boost first purchase rates

Affle Consumer Platform Solutions

Affle’s consumer platform helped KFC achieve its goals with its unified platform approach to

- **Find high affinity users** by leveraging Affle’s mDMP with its lookalike audience modelling algorithms
- **Location intelligence** added to prioritise ads in important locations
- **Custom dashboards** to track and optimise for incremental conversions

Results

- **8% Increase** in the first order rates
- Successfully enabled online orders through 700+ offline stores
- **Greater ROI realization** by maximizing new orders

Creative Performance

Android

Campaign Name	Sum of First Order
Delivery	~1000
Generic	~1000
Self Collect	~750

Ad Size	Sum of First Order
1000x1000	~350
800x600	~200
300x250	~180
300x350	~230
300x450	~250
800x1000	~280
1000x1000	~250
1000x1500	~280
728x900	~220
980x1000	~150
980x1400	~120

Note: 1) All case studies are based on First Party data consented and shared by the advertiser/agency together with Affle’s platform data. These have been created for entries in industry award shows; 2) Campaign Period : Apr-Jun’21; 3) The ads and/or platform modules/screenshots shown here are for illustrative purpose only

Levi's | Growing offline conversions in Indonesia

About the Advertiser

Levi Strauss & Co. is leading global fashion brand

Objective

With offline retail starting to open out after lockdowns, Levi's wanted to drive more shoppers to its select mall outlets in Indonesia and also track the incremental impact of such advertising

Affle Consumer Platform Solutions

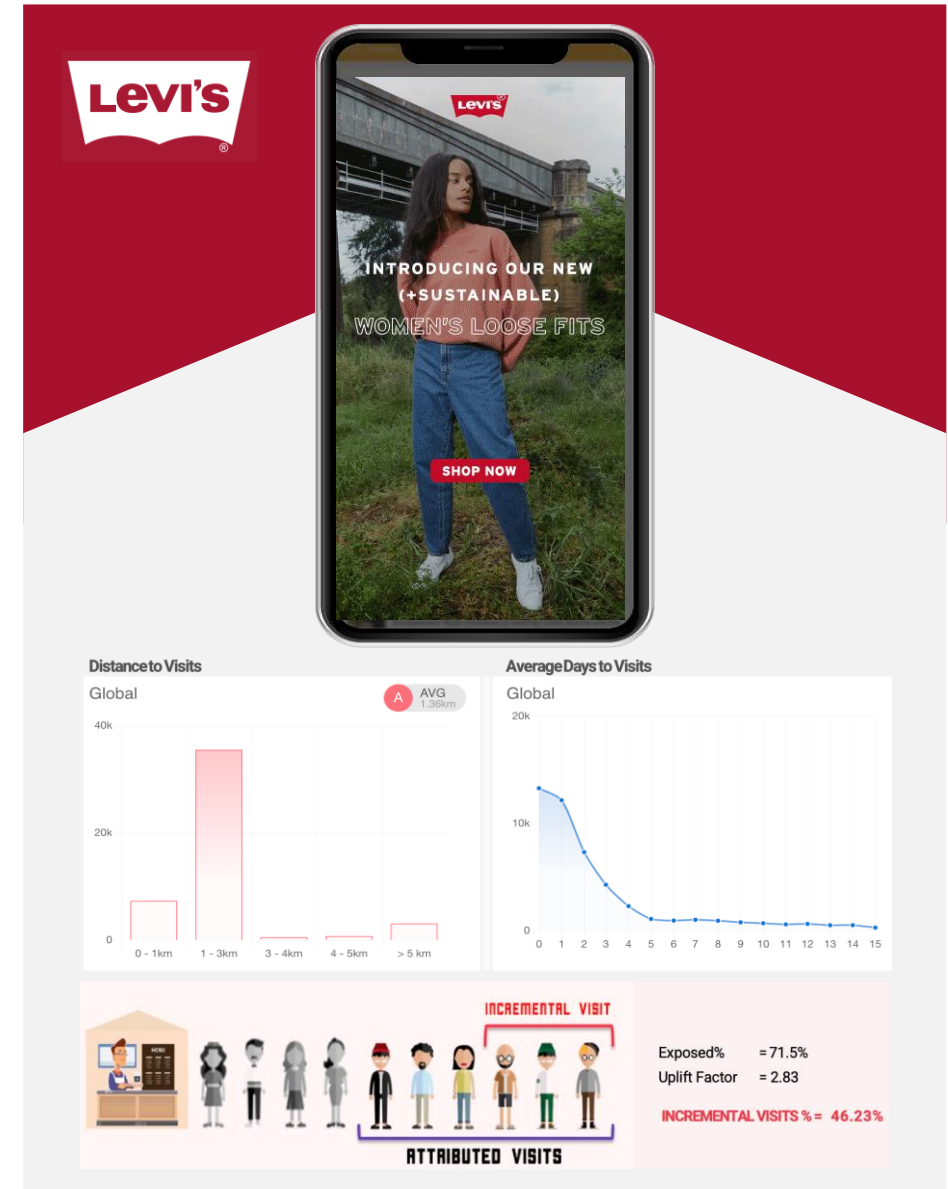
Affle's consumer platform helped Levi's achieve its goals with its solution to

- Find high affinity users by leveraging Affle's mDMP
- Location targeting to advertise to people within driving distance to stores
- Proprietary algorithms to help track footfalls and maximise incremental visits to stores & uplift

Results

- 46% Incremental visits to Levi's stores
- 2.83X Uplift for ad exposed users
- Significant growth in Attributed visits/ Conversions to physical store

Note: 1) All case studies are based on First Party data consented and shared by the advertiser/agency together with Affle's platform data. These have been created for entries in industry award shows; 2) Campaign Period : Jan-Feb '21; 3) The ads and/or platform modules/screenshots shown here are for illustrative purpose only



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