



# Affle (India) Limited

## Q2 & H1 FY2021 Earnings Presentation

For the period ended September 30, 2020

Consumer Intelligence Driven Global Technology Company



- ★ **15 years**  
Track Record
- ★ **Differentiated**  
Business Model
- ★ **Scalable**  
Data Platforms
- ★ **Deep**  
Tech Assets
- ★ **Accelerated**  
Consumer Adoption
- ★ **Sustainable**  
Growth Strategy

- ★ **High**  
Growth Markets
- ★ **Global**  
Reach & Opportunity
- ★ **Leading**  
In India
- ★ **Credible**  
Customer Base
- ★ **Committed**  
Leadership

- ★ **Robust**  
Profitability
- ★ **Strong**  
Cashflows
- ★ **High**  
Return Ratios

# Affle | Performance Highlights

	Revenue <sup>1</sup> Growth	EBITDA Growth	PAT <sup>2</sup> Growth	H1 FY2021 Highlights & Ratios
H1 FY2021	<i>H1 FY2021 vs. H1 FY2020</i> <b>Up 41.1%</b> Y-o-Y	<b>Up 40.7%</b> Y-o-Y	<b>Up 58.6%</b> Y-o-Y	PAT Margin expansion (y-o-y): <b>2.0%</b>
	<i>Q2 FY2021 vs. Q2 FY2020</i> <b>Up 59.3%</b> Y-o-Y	<b>Up 58.2%</b> Y-o-Y	<b>Up 72.5%</b> Y-o-Y	
Q2 FY2021	<i>Q2 FY2021 vs. Q1 FY2021</i> <b>Up 50.3%</b> Q-o-Q	<b>Up 53.1%</b> Q-o-Q	<b>Up 43.2%</b> Q-o-Q	ROE (LTM*): <b>30.3%</b>
				ROCE (LTM*): <b>21.4%</b>

Note: 1) Revenue from Operations (excluding Other Income); 2) PAT attributable to equity holders of the Company after subtracting Non-controlling interest

\*Last Twelve Months (LTM) = 12M FY2020 + H1 FY2021 - H1 FY2020; \*\*Return on Equity = (PAT / Total Shareholder's Equity); Return on Capital Employed = [EBIT / (Total Assets - Current Liabilities)]

# COVID-19 | Top 10 Resilient Verticals

## Category E



E-commerce |  
Entertainment | EdTech

## Category F



Fintech | Foodtech | FMCG

## Category G



Gaming | Groceries | Government

## Category H



Healthtech

## Categories E | F | G | H



Top 10 verticals  
contributed over **90%**  
revenue in Q2 FY2021 in  
line with Q1 trend and vs.  
**76%** in Q4 FY2020

Favourable momentum continued  
during the quarter, across India  
& International markets

# Half-Yearly Performance Trend (Consolidated)

CAGR (H1 FY19 - H1 FY21)

Revenue CAGR **39.9%**  
 EBITDA CAGR **43.8%**  
 PAT CAGR **59.2%**

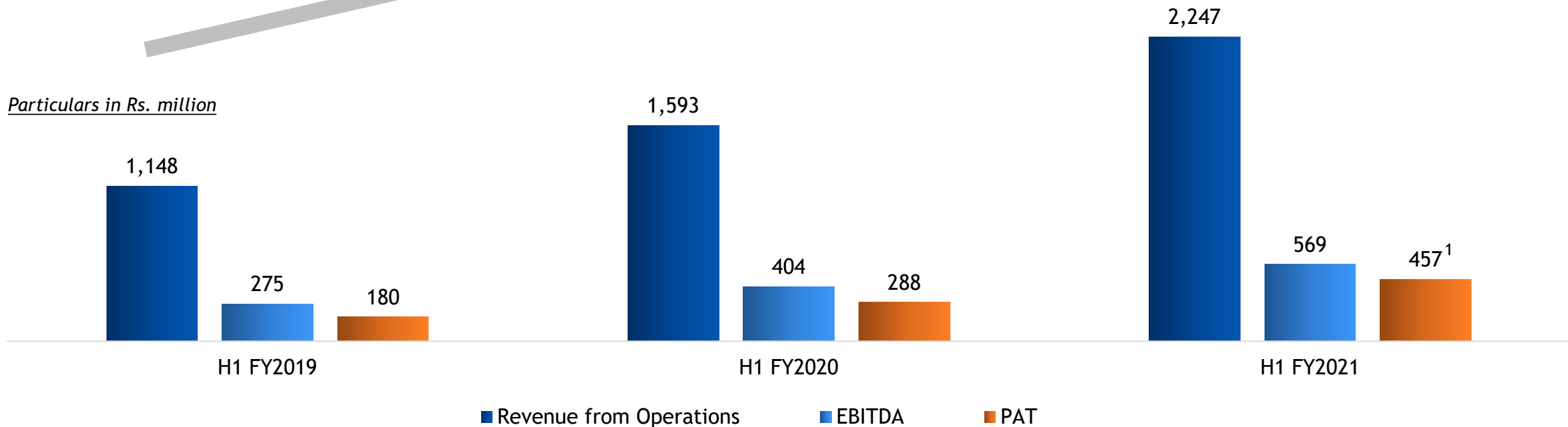
Y-o-Y Growth

41.1%

40.7%

58.6%

*Particulars in Rs. million*

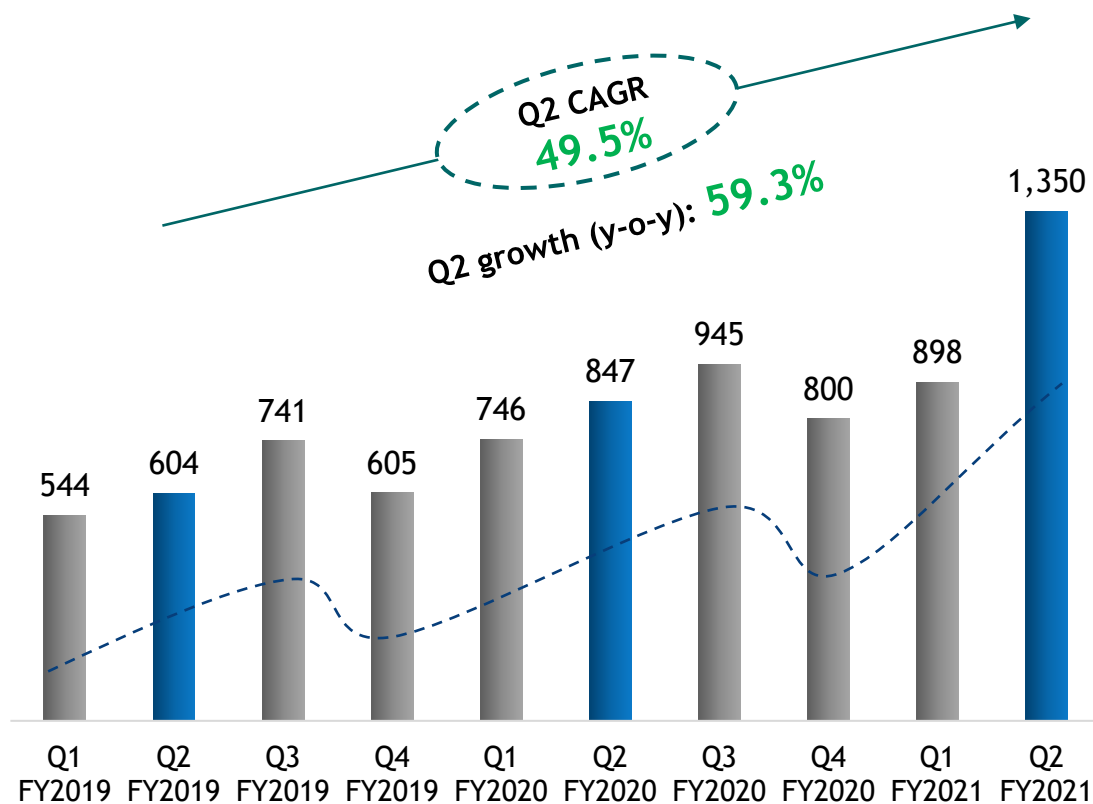


Note: 1) PAT attributable to equity holders of the Company after subtracting Non-controlling interest

# Quarterly Performance Trend (Consolidated)

## Revenue from Operations (Rs. mn)

Y-o-Y growth in all quarters



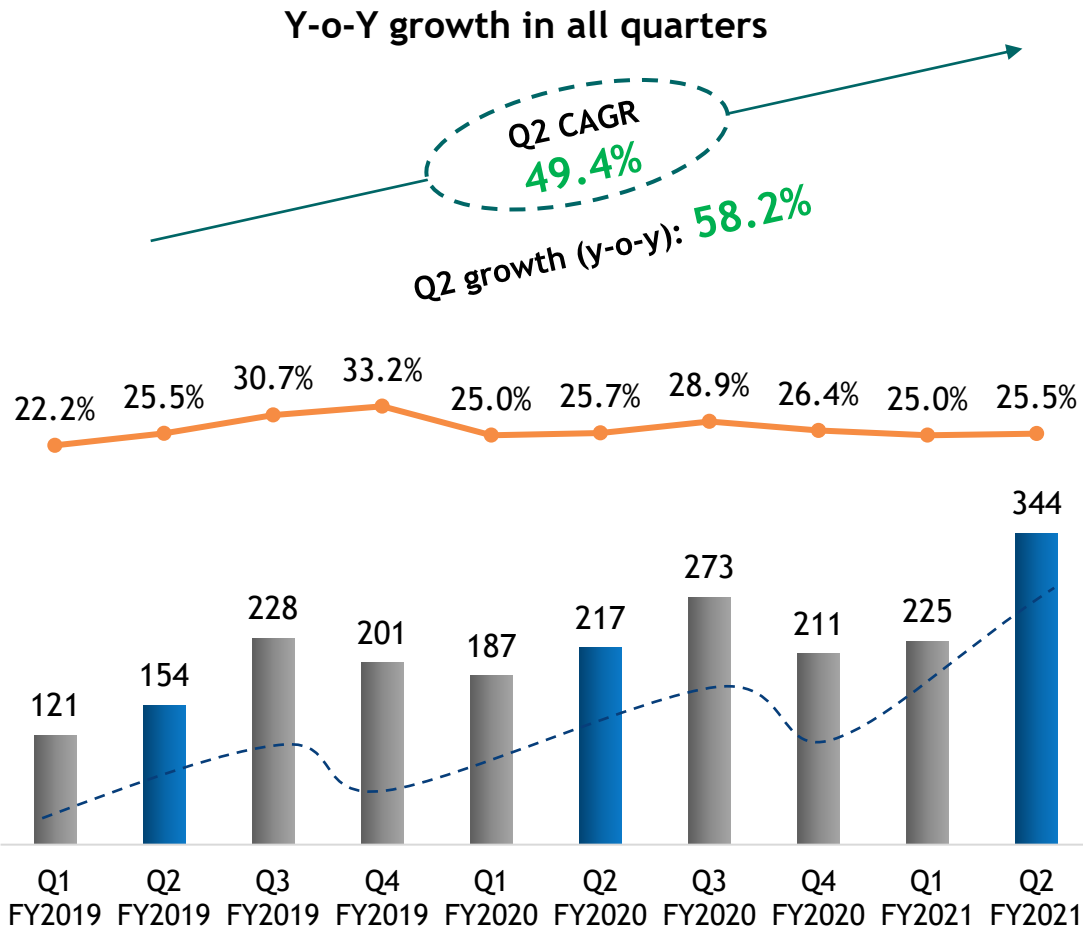
Note: On account of business seasonality, Q3 is typically the highest quarter in an year

## Performance Discussion (Q2 FY2021)

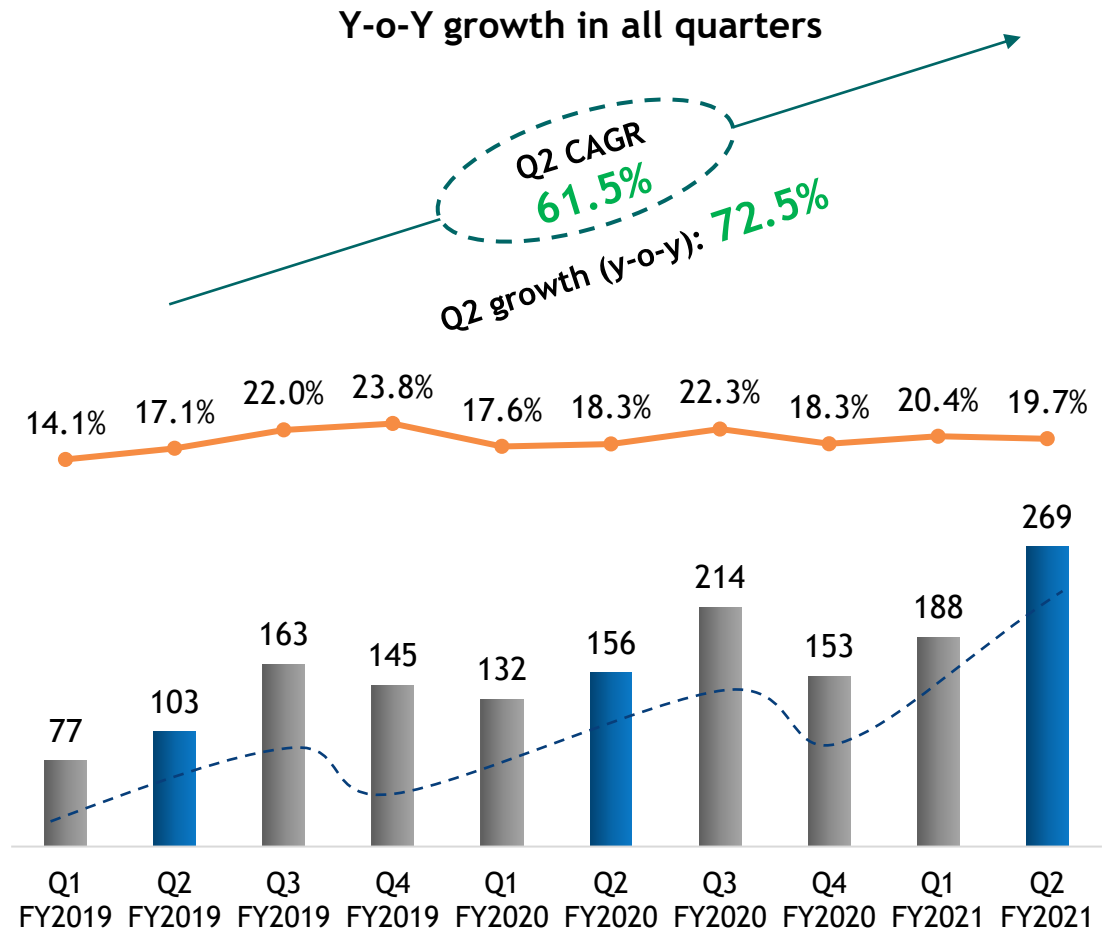
- Business performed well in Q2 with strong growth coming in both y-o-y and q-o-q basis
- Covid-19 has accelerated transition of organizations to mobile advertising
- Revenue from operations increased by 59.3% y-o-y driven by broad-based growth across both: 1) Total converted users (CPCU business), and 2) Non-CPCU business, coming from both India & International markets
- Inventory & Data cost at 57.6% of revenue from operations in line with the last year trend
- Enhanced human resource capabilities to deepen our access towards emerging markets and drive growth in the omnichannel marketing space, plus the recent acquisition - leading to an increase in Employee Expenses on a y-o-y basis
- Overall, EBITDA increased by 58.2% y-o-y and 53.1% q-o-q

# Quarterly Performance Trend (Consolidated)

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



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



Note: 1) Q2 FY2021 PAT attributable to equity holders of the Company after subtracting Non-controlling interest

# CPCU Business | H1 Performance Trend (y-o-y)

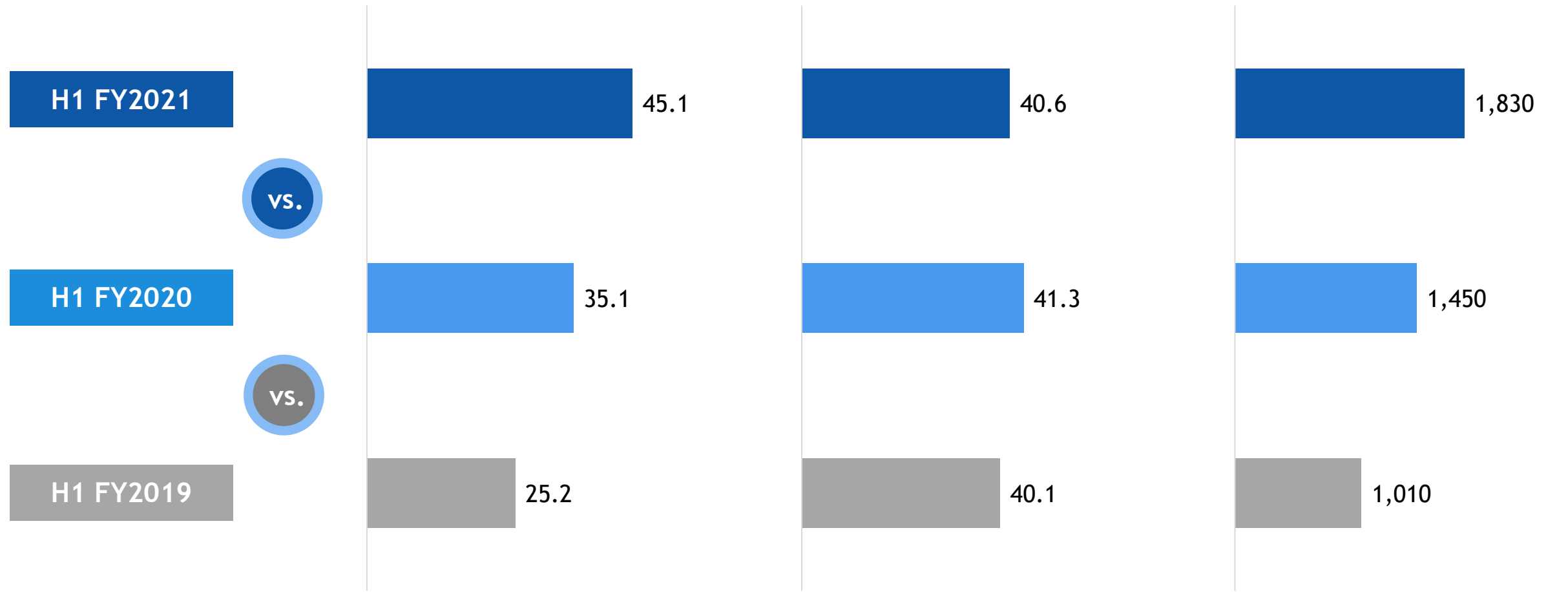
# Converted users (mn)



Average CPCU (Rs.)



CPCU Revenue (Rs. mn)





# CPCU Business | Q2 Performance Trend (y-o-y)

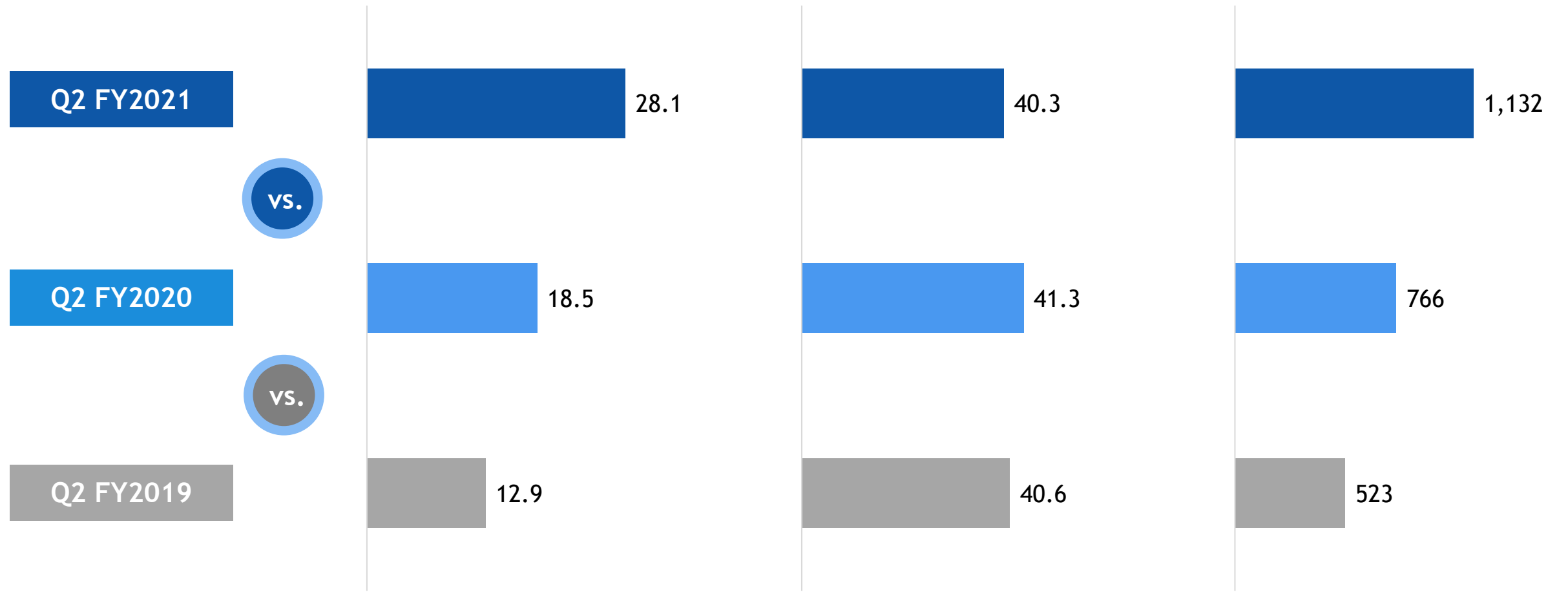
# Converted users (mn)



Average CPCU (Rs.)



CPCU Revenue (Rs. mn)



# Affle | Recent Recognitions and Wins



22 Recognitions for Affle's Platforms across Categories & Geographies by AppsFlyers Performance Index XI

Recognised #1 independent platform for Remarketing in APAC (non-gaming) with an overall category rank of #4

Leading Independent App Discovery Platform in India & SE Asia

The Remarketing Index

The Retention Index

The API Index

## Indian Digital Marketing Awards

Best Innovation In Mobile Marketing

**meesho**

Best Campaign - Use Of Mobile & Mobile Monetization

**meesho**

Most Effective Use Of Digital Analytics

**zivame**

Most Effective Use of AI, Data Analytics, Machine Learning For A Campaign & Business Optimisation

**zivame**

## Campaign India Digital Crest Awards

affle - Entrant Of The Year | zivame - Client Of The Year

**Gold**

- Insight-led Programmatic Buying
- E-commerce Omni-Channel Strategy
- Use of Data - For New Business
- Innovation In E-commerce
- Insight-led Programmatic Buying
- Use Of Social Media In A Campaign
- Mobile Display

**Silver**

- Use of Data - For New Business
- Use of Data - For CRM
- Display

**Bronze**

- Loyalty
- Media Innovation

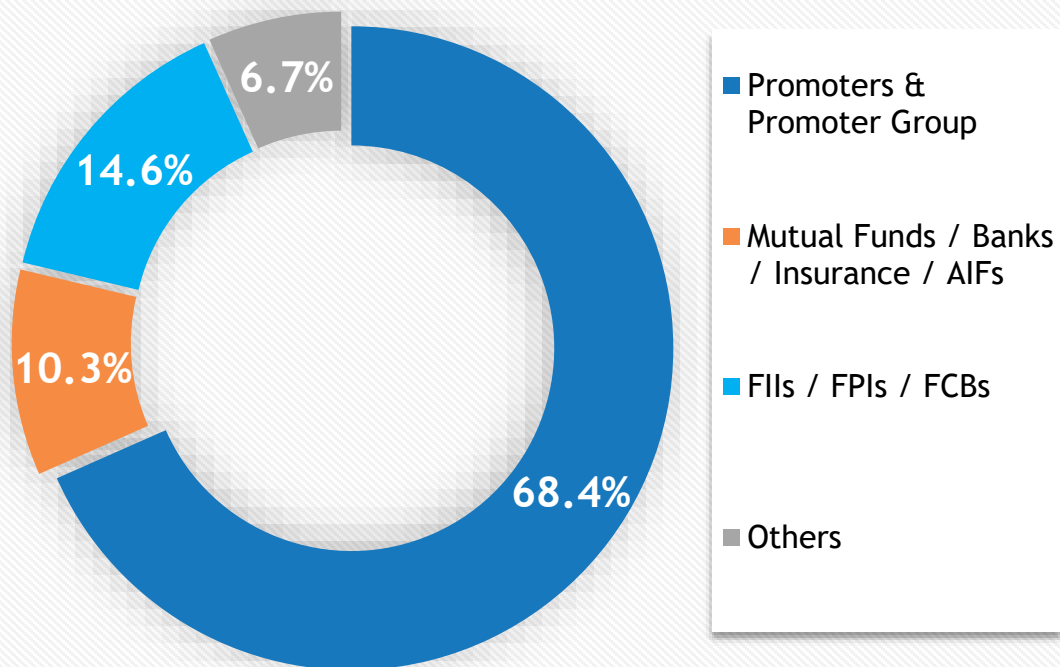
**12 Awards wins by Affle Platforms for**

**zivame | meesho | ZUNZO**

# Affle | Investors Information

## Shareholding Pattern

Total Shares Outstanding as on September 30, 2020  
- 25,496,367



## \*Brokerages Covering Affle (As on date)

*Institutional  
Research  
Desk*

Nomura

Dolat  
Capital

Dalal &  
Broacha

*HNI / Retail  
Desk*

Sharekhan

Axis  
Securities

ICICI Direct

*\*In order of coverage initiated*

## Key Market Updates

- ✓ Constituent of MSCI Domestic Small Cap Index; Nifty MidSmallcap 400 and Nifty Smallcap 250 Indexes
- ✓ Ranked 360<sup>th</sup> amongst NSE Top 500 Companies (As of March 31, 2020)

# Affle | At a Glance



## ABOUT

- Global technology company with a leading market position in India and a profitable business model
- Existent partnerships with top global e-commerce companies, brands & agencies



## BUSINESS SEGMENTS

- 1) **Consumer Platform:** Delivers acquisitions, engagements & transactions for leading brands and B2C companies. Also, includes retargeting & push notification for e-commerce (**98.3% H1 FY21 revenue**)<sup>1</sup>
- 2) **Enterprise Platform:** Enabling offline businesses to go online through App development, O2O<sup>2</sup> commerce & data analytics (**1.7% H1 FY21 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)

**49.9%**  
India revenue<sup>1,3</sup>  
H1 FY2021

**50.1%**  
International revenue<sup>1,3</sup>  
H1 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>10</b>	<b>1</b>	<b>4</b>
Patents registered in US for digital advertising	Patents filed in USA & India for digital ad fraud detection	Patent related to retargeting business filed in US	Patents filed in Singapore



## FINANCIAL SUMMARY (12M FY2020 Consolidated)

Revenue	<b>Rs. 3,338mn</b>
EBITDA <sup>5</sup>	<b>Rs. 888mn</b>
PAT	<b>Rs. 655mn</b>

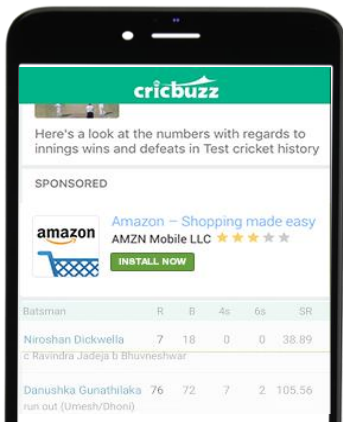
1) For the half year ended Sep 30, 2020 on a consolidated basis; 2) O2O: Online to Offline; 3) Region-wise contribution and is different from the billing entity-wise segmental break-up disclosed in financial results; 4) For the 12 months period of Oct 1, 2019 to Sep 30, 2020 excluding for Appnext and mediasmart; 5) EBITDA adjusted for Rs. 9.37 mn of creditors written back in Q4 & 12M FY2020

# Affle | Cost Per Converted User (CPCU) Business

85.2% of Consumer Platform revenue contributed by CPCU model in Q2 FY2021 and 14.8% from Non-CPCU



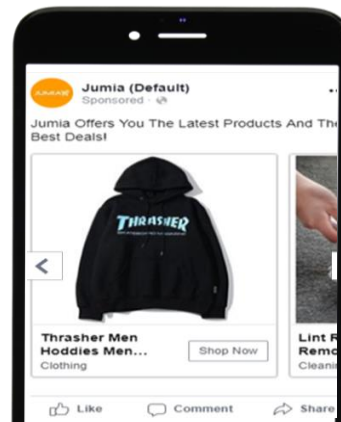
New user conversion  
(online)



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



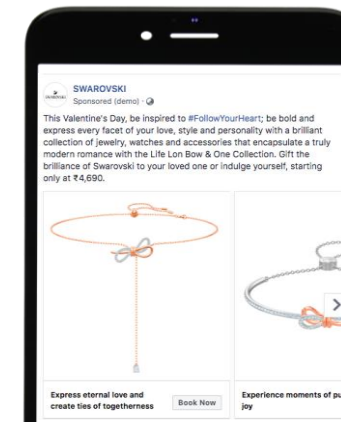
Existing user repeat  
conversion (online)



Use Case - Target interested user to complete the transaction



New/existing user  
conversion (offline)



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

# Consolidated Financial Summary

In Rs. million	Q2 FY2021	Q2 FY2020	Y-o-Y Growth	Q1 FY2021	Q-o-Q Growth	H1 FY2021	H1 FY2020	Y-o-Y Growth
<b>Revenue from Contracts with Customers</b>	<b>1,350</b>	<b>847</b>	<b>59.3%</b>	<b>898</b>	<b>50.3%</b>	<b>2,247</b>	<b>1,593</b>	<b>41.1%</b>
Inventory and Data Costs	777	486	59.9%	516	50.5%	1,293	914	41.5%
Employee Benefits Expense	131	78	67.5%	83	57.5%	215	139	55.1%
Other Expenses	97	65	49.0%	73	32.4%	171	137	25.1%
<b>EBITDA</b>	<b>344</b>	<b>217</b>	<b>58.2%</b>	<b>225</b>	<b>53.1%</b>	<b>569</b>	<b>404</b>	<b>40.7%</b>
<i>% EBITDA Margin</i>	<i>25.5%</i>	<i>25.7%</i>		<i>25.0%</i>		<i>25.3%</i>	<i>25.4%</i>	
Depreciation and Amortisation Expense	51	29		43		94	53	
Finance Costs	9	2		5		14	4	
Other Income	16	6		25		41	9	
<b>Profit Before Tax</b>	<b>301</b>	<b>193</b>	<b>56.0%</b>	<b>201</b>	<b>49.5%</b>	<b>502</b>	<b>356</b>	<b>40.8%</b>
Total Tax	31	37		13		44	68	
(Subtract): Non-controlling Interest	1	0		0		1	0	
<b>Profit After Tax* (Net of Non-controlling interest)</b>	<b>269</b>	<b>156</b>	<b>72.5%</b>	<b>188</b>	<b>43.2%</b>	<b>457</b>	<b>288</b>	<b>58.6%</b>
<i>% PAT Margin</i>	<i>19.7%</i>	<i>18.3%</i>		<i>20.4%</i>		<i>20.0%</i>	<i>18.0%</i>	

**Key focus on sustainable and profitable growth**

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## Investor Relations Contact

[investor.relations@affle.com](mailto:investor.relations@affle.com)



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