



# Affle (India) Limited

## Q1 FY2021 Earnings Presentation

For the period ended June 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

★ **Positive**  
Net Cash

# Affle | Q1 FY2021 Performance Highlights

## Revenue<sup>1</sup> Growth

Q1 FY2021 vs. Q1 FY2020

 **Up 20.4%**

Y-o-Y

## EBITDA Growth

 **Up 20.3%**

Y-o-Y

## PAT Growth

 **Up 42.3%**

Y-o-Y

## Margins and Key Ratios (LTM\*)

PAT Margin expansion (y-o-y): **2.7%**

ROE (LTM): **28.6%**

ROCE (LTM): **21.8%**

Q1 FY2021 vs. Q4 FY2020

 **Up 12.2%**

Q-o-Q

 **Up 6.5%**

Q-o-Q

 **Up 22.8%**

Q-o-Q

Note: 1) Revenue from Operations (excluding Other Income)

\*Last Twelve Months (LTM) = 12M FY2020 + Q1 FY2021 - Q1 FY2020

\*\*Key Ratios: 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 Q1 FY2021 vs.  
**76%** in Q4 FY2020

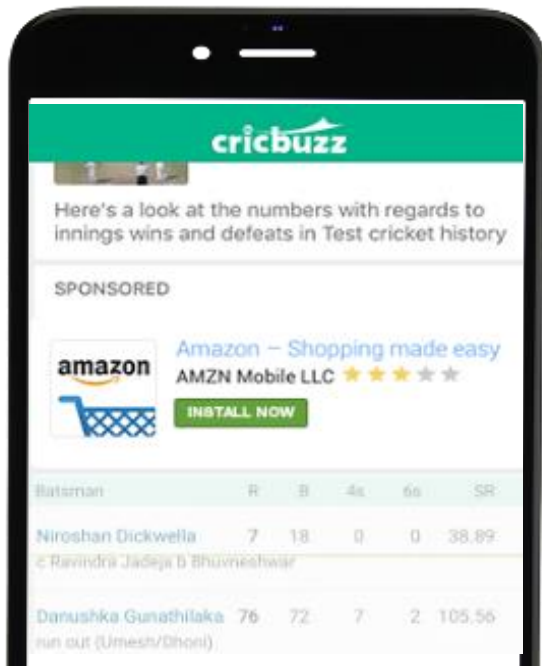
Favourable momentum seen  
June onwards, across India  
and International markets



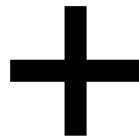
# Affle | Market Consolidation with acquisition of mobile app recommendation platform

- Acquired 66.67% equity ownership in Appnext Singapore, with a clear path to acquire 100% ownership upon attainment of mutually agreed growth targets
- Affle acquired full control of Appnext Pte. Ltd., Singapore and 100% IP of Appnext app discovery and recommendation platform (As on June 8, 2020)

**In-App Advertisements -**  
Inherently a high growth business



Strengthens  
our CPCU model  
Significantly



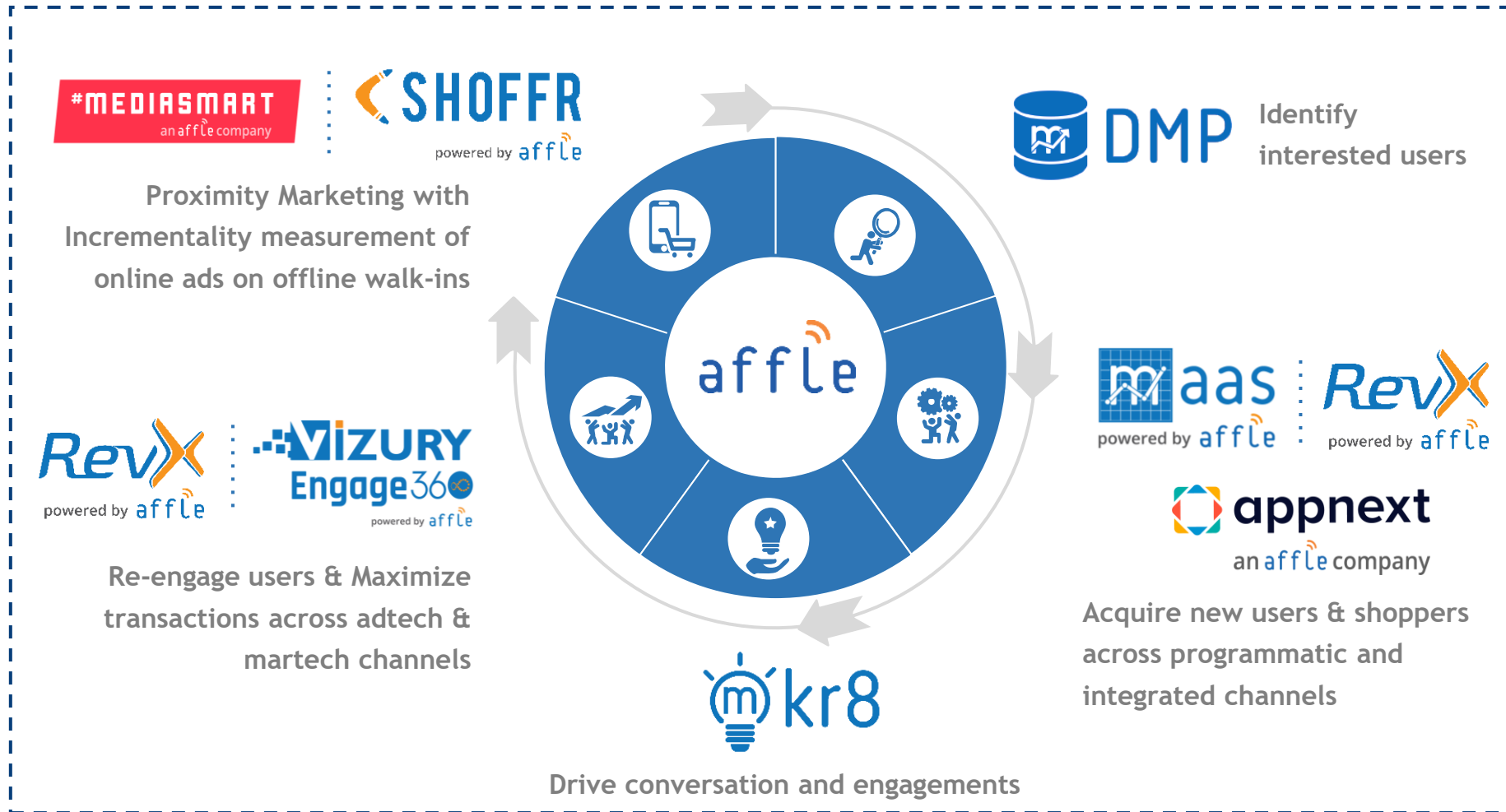
**Appnext's Mobile App Recommendations through Strategic OEM Partnerships**



Enables top mobile OEMs and apps developers to deliver **on-device** personalized app recommendations to mobile users globally

Over **300 million** daily active users and **20+** daily interactions across Widgets, Folders, -1 Screen, OEM store and more

# Affle | Tech & Innovation powered growth



Enabling an omni-channel connected platform ecosystem for building a sustainable market leadership as part of Affle2.0 Growth Strategy

# Management Perspective

Commenting on the results, Anuj Khanna Sohum - Chairman, Managing Director & Chief Executive Officer said:



“08.08.20 is our 1st IPO anniversary since Affle completed its successful public-listing in India. I extend our heartfelt regards to the shareholders for their trust in us. Affle achieved momentous progress across all the fronts in FY2020. As we stepped into the new fiscal year, the country was under lockdown and economic activity was at halt. Despite that, the resilient nature of our business helped us navigate these challenging times to emerge even stronger than ever before.

I am pleased to announce that Affle continued its growth trajectory to reach Revenue from Operations of Rs. 898 million in Q1 FY2021, a growth of 20.4% y-o-y. Our PAT stood at Rs. 188 million in Q1 FY2021, to register a growth of 42.3% y-o-y. This growth has been broad-based coming from both CPCU business and Non-CPCU business. While CPCU business marked a marginal growth, Non-CPCU business performed well driven by customer’s demand for PaaS / SaaS based model and short-term inclination of advertisers towards brand advertising during the pandemic times. Though the economic momentum was impacted with two months of lockdown in April and May, June has seen a strong demand from both India and International markets and across the industry verticals.

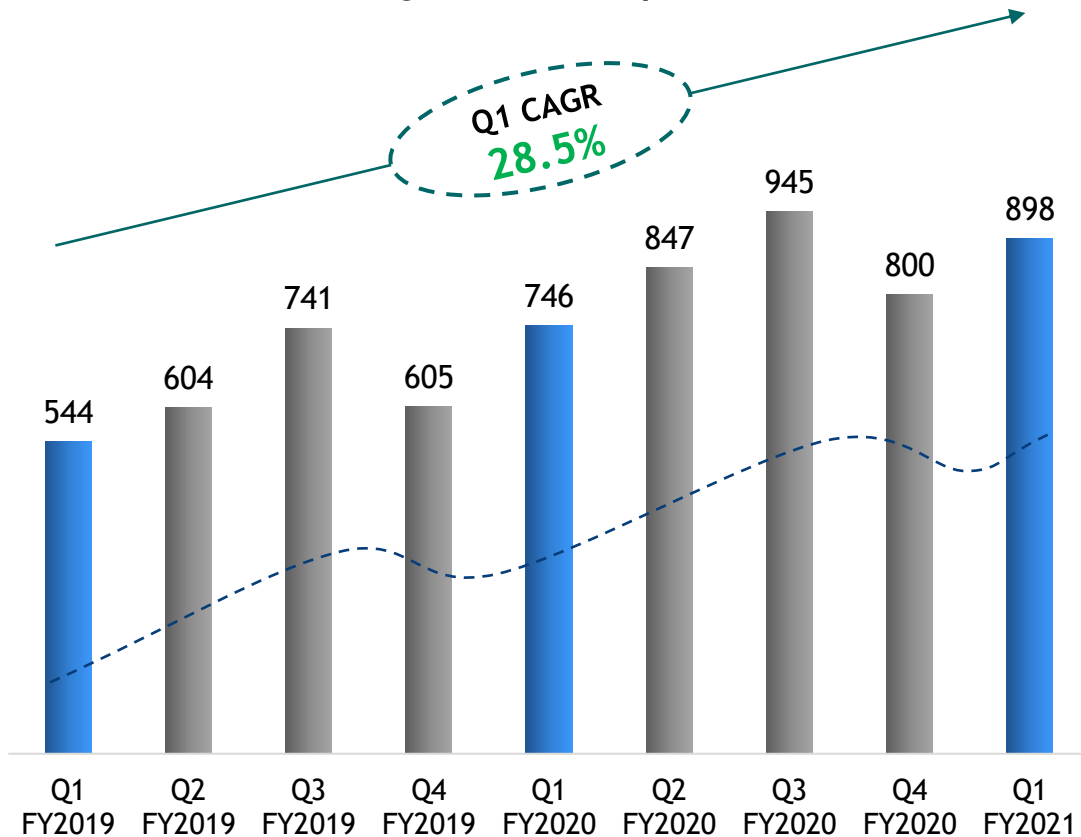
I am also extremely proud to say that the Company has not only proved itself to deliver a sustainable and profitable growth even in the most challenging times, but rather it has been a responsible growth for all our stakeholders particularly our employees with no cuts in salaries, jobs and the pre-agreed bonuses. Affle has been highly responsive in ensuring its employees safety while promoting a strong entrepreneurial and collaborative culture.

The shift in consumer preferences due to work from home and lockdowns, is redefining the mobile-focused priorities of organizations globally. However, India has been leading this change especially with Government’s vision of ‘Self-Reliant Digital India’ that Affle supports. As the app developer community pursues made in India initiatives, we remain committed to accelerating their growth trajectory through our omni-channel connected platform ecosystem. Affle remains committed to deliver new innovations and leverage capabilities to drive sustainable growth, while looking to invest in credible consolidation opportunities that shall enhance value for all our stakeholders.”

# 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 (Q1 FY2021)

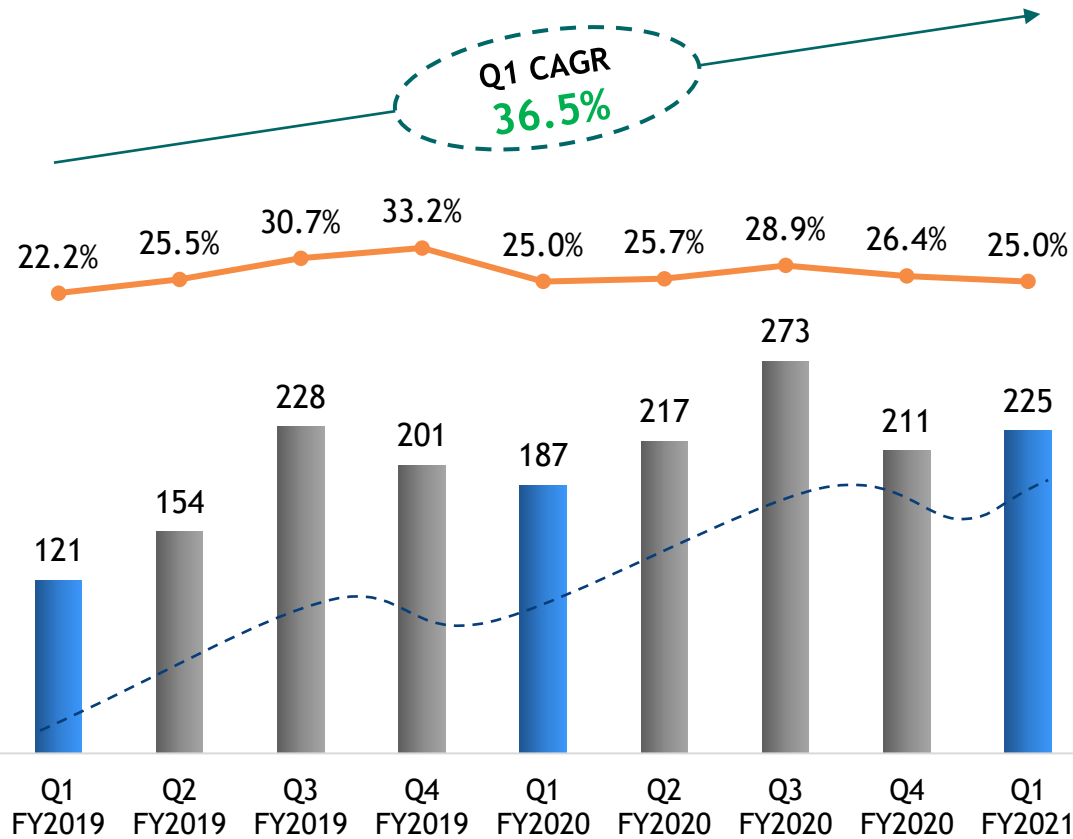
- Overall, business performed well in Q1. Covid-19 has further accelerated transition of organizations to mobile advertising
- Revenue from operations increased by 20.4% y-o-y, driven by broad-based growth across both: 1) Total converted users (CPCU business), and 2) Non-CPCU business
- While CPCU business remained resilient, Non-CPCU business performed well driven by higher customers' demand for PaaS / SaaS based model and short-term inclination of advertisers towards brand advertising during the pandemic times
- Inventory & Data cost at 57.5% of revenue from operations, in line with the last year trend
- Other Expenses have been optimized, to increase by just 3.1% on a y-o-y basis and a marginal decline on a q-o-q basis



# Quarterly Performance Trend (Consolidated)

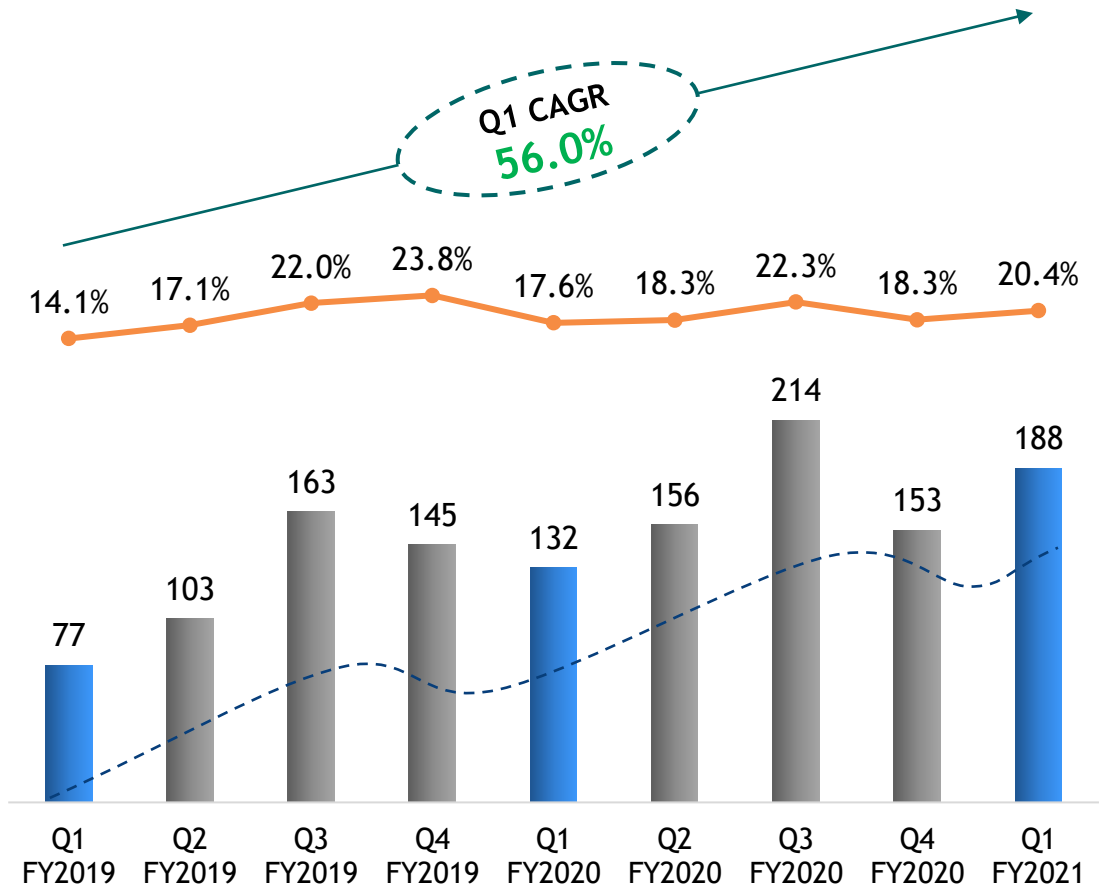
## EBITDA (Rs. mn) & EBITDA Margin (%)

Y-o-Y growth in all quarters



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

Y-o-Y growth in all quarters



Note: 1) Q4 FY2020 EBITDA adjusted for Rs. 9.37 mn of creditors written back

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

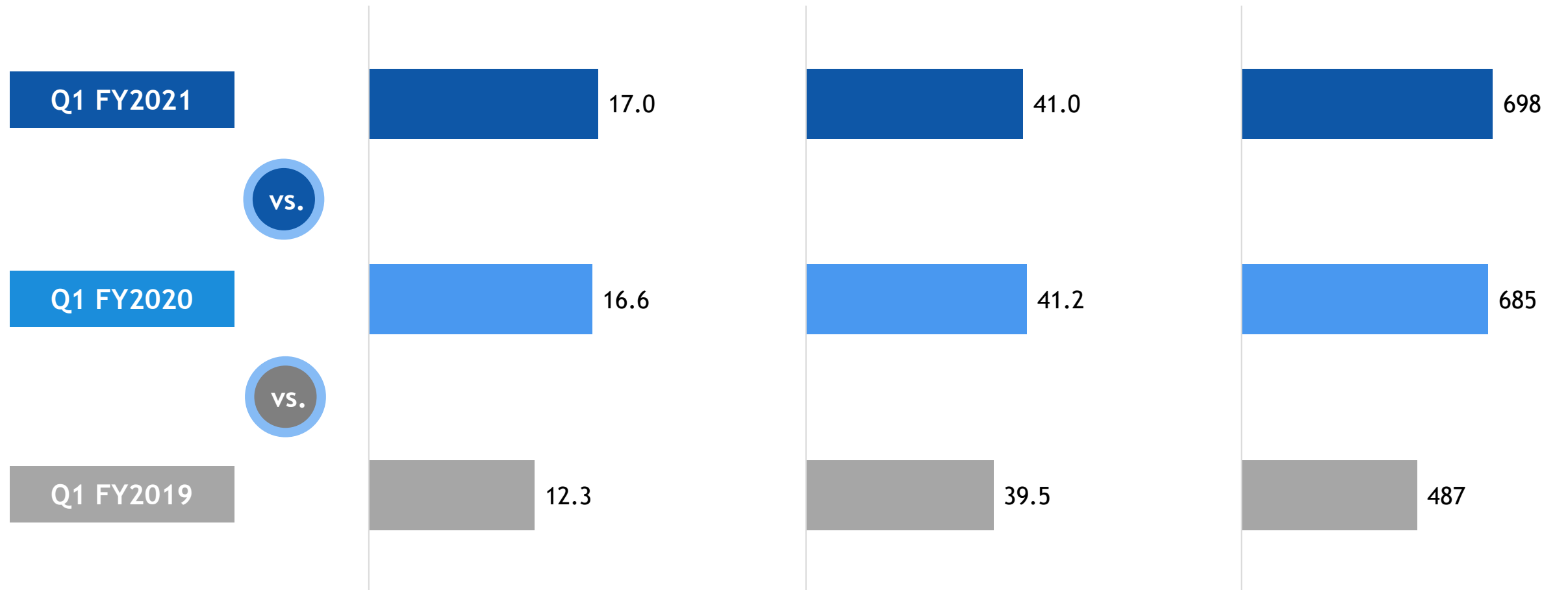
# Converted users (mn)



Average CPCU (Rs.)



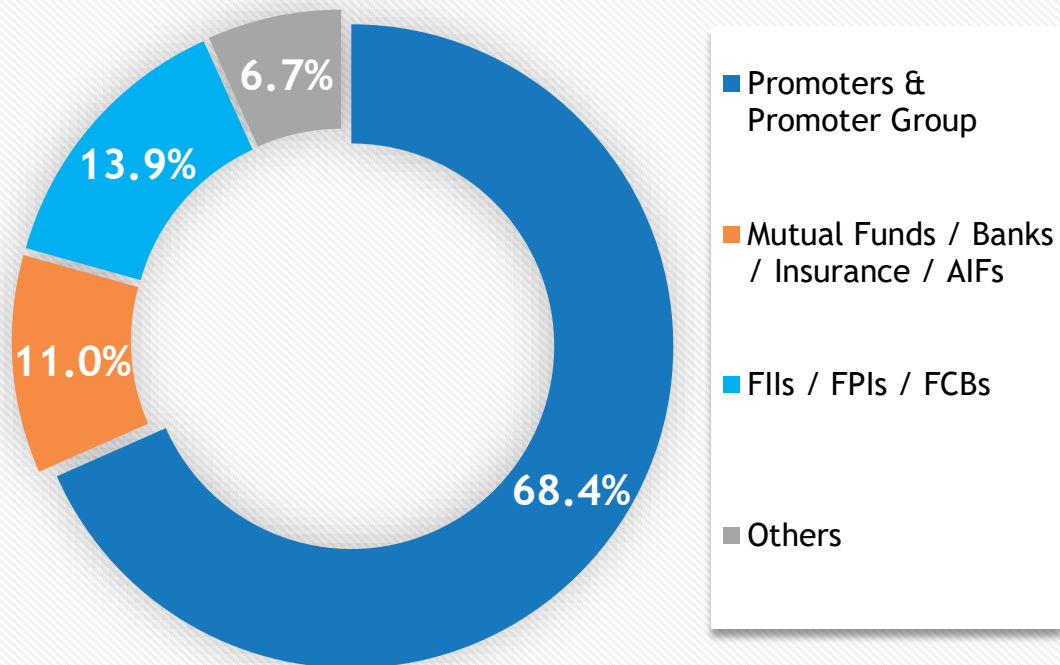
CPCU Revenue (Rs. mn)



# Affle | Investors Information

## Shareholding Pattern

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



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

Nomura

Sharekhan

Axis Securities

ICICI Direct

*\*Clockwise in order of coverage initiated*

## Key Market Updates

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

# Affle2.0 Culture: Commit, Collaborate, Compete, Celebrate



Continue to augment our entrepreneurial culture promoting team collaboration, competitiveness and thought leadership for all Afflers

- Covid-19 pandemic made it necessary to connect the Afflers, beyond the regular work calls & webinars
- AFL divides all Afflers in 4 clubs, for every aspect of their skill and talent to be gamified
- The spirit of AFL is as below:
  - a. **Affle at heart:** Values of Affle - Commitment, Excellence, & Passion at the forefront
  - b. **Inclusivity & Participation:** 330+ Afflers invited
  - c. **Celebrating competitive spirit (podium)**
  - d. **Harnessing youthful energy**
  - e. **Fun with purpose**

## Election-Hour conducted



84 Nomination for 12 roles



3,300 votes received

# 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 (**98.1% Q1 FY21 revenue**)<sup>1</sup>
- 2) **Enterprise Platform:** Enabling offline businesses to go online through App development, O2O<sup>2</sup> commerce & data analytics (**1.9% Q1 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)

**48.0%**  
India revenue<sup>1,3</sup>  
Q1 FY2021

**52.0%**  
International revenue<sup>1,3</sup>  
Q1 FY2021



## END TO END MOBILE ADVERTISING PLATFORM

- In-house data management platform with over **2.1 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 quarter ended June 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 twelve months period of July 1, 2019 to June 30, 2020 on a consolidated basis; 5) EBITDA adjusted for Rs. 9.37 mn of creditors written back in Q4 & 12M FY2020

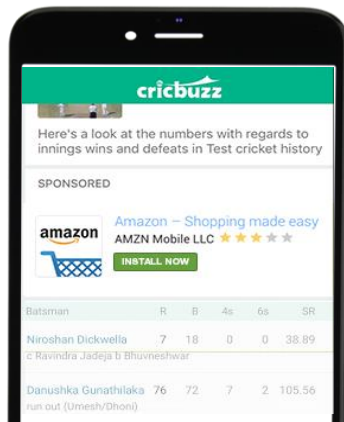


# Affle | Cost Per Converted User (CPCU) Business

79.3% of Consumer Platform revenue contributed by CPCU model in Q1 FY2021 and 20.7% from Non-CPCU



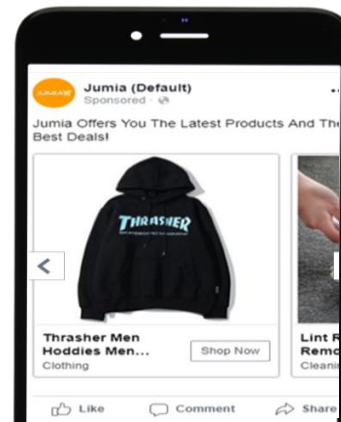
**New user conversion  
(online)**



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



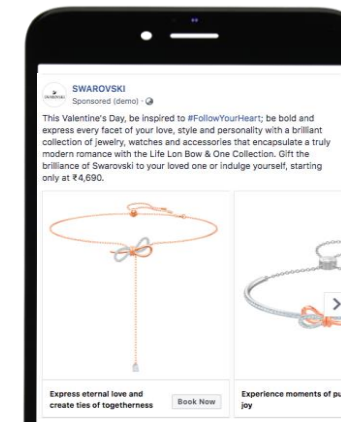
**Existing user repeat  
conversion (online)**



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	Q1 FY2021	Q1 FY2020	Y-o-Y Growth	Q4 FY2020	Q-o-Q Growth
<b>Revenue from Contracts with Customers</b>	<b>898</b>	<b>746</b>	<b>20.4%</b>	<b>800</b>	<b>12.2%</b>
Inventory and Data Costs	516	428	20.7%	459	12.4%
Employee Benefits Expense	83	60	38.8%	64	29.6%
Other Expenses	73	71	3.1%	75	(2.1%)
Add back: Creditors written back	0	0		9	
<b>EBITDA</b>	<b>225</b>	<b>187</b>	<b>20.3%</b>	<b>211*</b>	<b>6.5%</b>
<i>% EBITDA Margin</i>	<i>25.0%</i>	<i>25.0%</i>		<i>26.4%</i>	
Depreciation and Amortisation Expense	43	25		48	
Finance Costs	5	2		6	
Other Income	25	3		25	
<b>Profit Before Tax</b>	<b>201</b>	<b>163</b>	<b>23.0%</b>	<b>182</b>	<b>10.8%</b>
Total Tax	13	32		29	
<b>Profit After Tax</b>	<b>188</b>	<b>132</b>	<b>42.3%</b>	<b>153</b>	<b>22.8%</b>
<i>% PAT Margin</i>	<i>20.4%</i>	<i>17.6%</i>		<i>18.3%</i>	

**Key focus on sustainable and profitable growth**

\*EBITDA adjusted for Rs. 9.37 mn of creditors written back in Q4 FY2020

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