Affle (India) Limited

Q2 & H1 FY2022 Earnings Presentation

For the half-year ended September 30, 2021

Consumer Intelligence Driven Global Technology Company

affle

Built to Last

(ESG@Affle)

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

	Revenue[1] Growth	EBITDA[2] Growth	*PAT Growth
			Normalized PAT (Refer slide 4 for the detailed working)
Q2 FY2022	*Q2 FY2022 vs. Q2 FY2021*		
	Up 103.6% Y-o-Y	Up 51.1% Y-o-Y	Up 56.3% Y-o-Y
H1 FY2022	*H1 FY2022 vs. H1 FY2021*		
	Up 90.1% Y-o-Y	Up 53.1% Y-o-Y	Up 54.6% Y-o-Y

Key Ratios H1 FY2022

**LTM ROE: 27.9%

**LTM ROCE: 15.9%

Operating Cash Flow[3] / PAT: 66.9%

Note: 1) Revenue from contract with customers; 2) Creditors written back which are part of 'Other Income' in the reported financials, are operating income in nature and adjusted in EBITDA (Refer slide 4); 3) Tax outgo on 'Gain on fair valuation of financial instruments' added back to OCF

***Adjusted for net QIP proceeds, QIP assets utilized and for the interest on FDs earned out of unutilized QIP proceeds as of Sept 30, 2021; Last Twelve Months (LTM) = FY2021 + H1 FY2022 - H1 FY2021*

Consolidated Financial Summary

In Rs. million	Q2 FY2022	Q2 FY2021	Y-o-Y Growth	Q1 FY2022	Q-o-Q Growth	H1 FY2022	H1 FY2021	Y-o-Y Growth
Revenue from Contracts with Customers	**2,747**	**1,350**	***103.6%***	**1,525**	***80.2%***	**4,272**	**2,247**	***90.1%***
Inventory and Data Costs	1,755	777	*125.9%*	884	*98.5%*	2,639	1,293	*104.1%*
Employee Benefits Expense	314	131	*138.6%*	188	*67.2%*	501	215	*133.2%*
Other Expenses	158	97	*62.8%*	102	*54.7%*	261	171	*52.7%*
Add: Creditors written back[1] (Other Operating Income)	0.8	0.7		-		0.8	0.7	
EBITDA	**521**	**345**	***51.1%***	**351**	***48.6%***	**871**	**569**	***53.1%***
% EBITDA Margin	*19.0%*	*25.5%*		*23.0%*		*20.4%*	*25.3%*	
Depreciation and Amortisation Expense	81	51		52		133	94	
Finance Costs	22	9		14		36	14	
Other Income (Excl. Creditors written back, if any)	151	16		127		278	40	
Profit Before Tax	**570**	**301**	***89.7%***	**412**		**982**	**502**	***95.7%***
Total Tax	92	31		53		145	44	
(Subtract): Non-controlling Interest	2.1	0.9		1.7		3.7	0.9	
Profit After Tax (Net of Non-controlling interest)[2]	**476**	**269**	***77.1%***	**357**	***33.3%***	**833**	**457**	***82.5%***
% PAT Margin	*16.4%*	*19.7%*		*21.6%*		*18.3%*	*20.0%*	

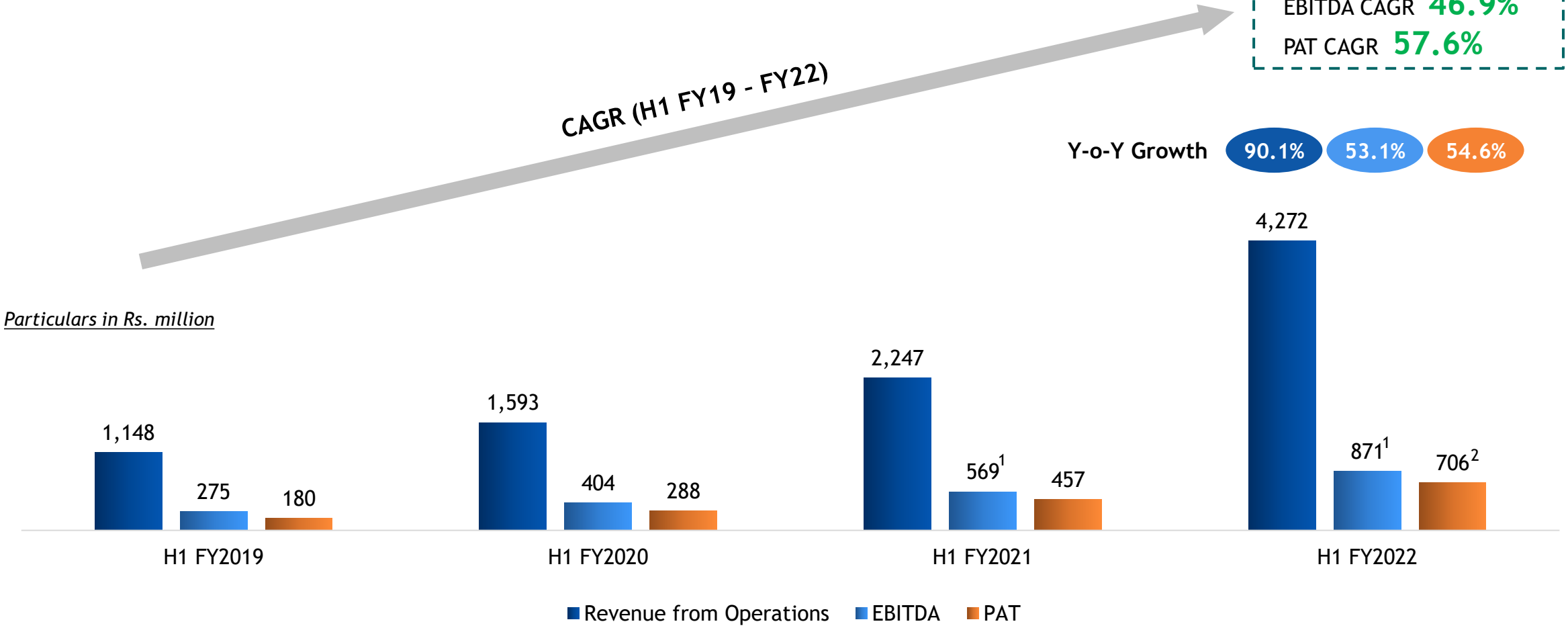
PAT - (1.a.) + (2.)

Calculation of Normalized 'Profit After Tax'								
1. Other Income (Excl. Creditors written back) comprises:								
1.a. Gain on fair valuation of financial instruments	72	-		83		155	-	
1.b. Other Income in ordinary course of business	80	16		44		124	40	
2. Tax outgo on Gain on financial instruments	16	-		11		27	-	
Normalized PAT	**420**	**269**	***56.3%***	**285**	***47.2%***	**706**	**457**	***54.6%***
Normalized PAT Margin %	*14.9%*	*19.7%*		*18.2%*		*16.1%*	*20.0%*	

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)

Half-Yearly Performance Trend (Consolidated)

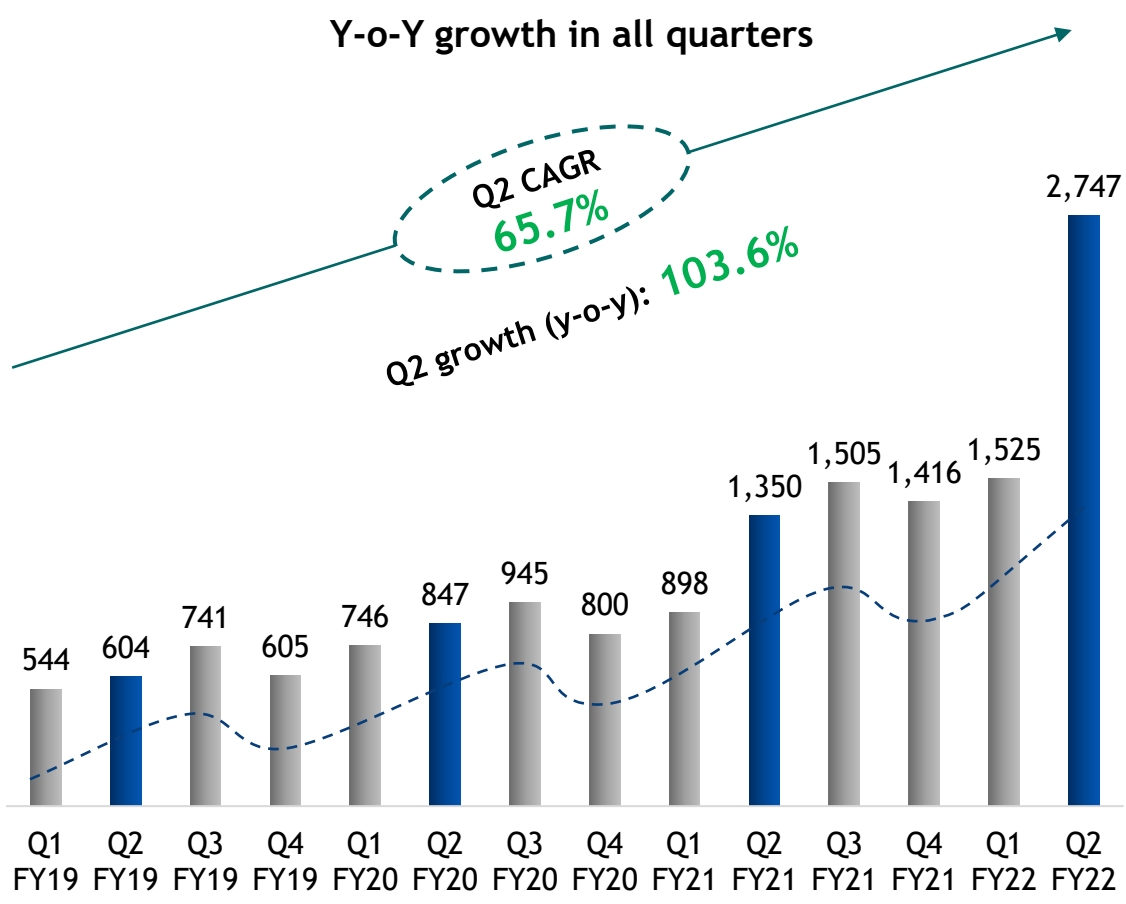
Revenue CAGR 55.0%
EBITDA CAGR 46.9%
PAT CAGR 57.6%



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

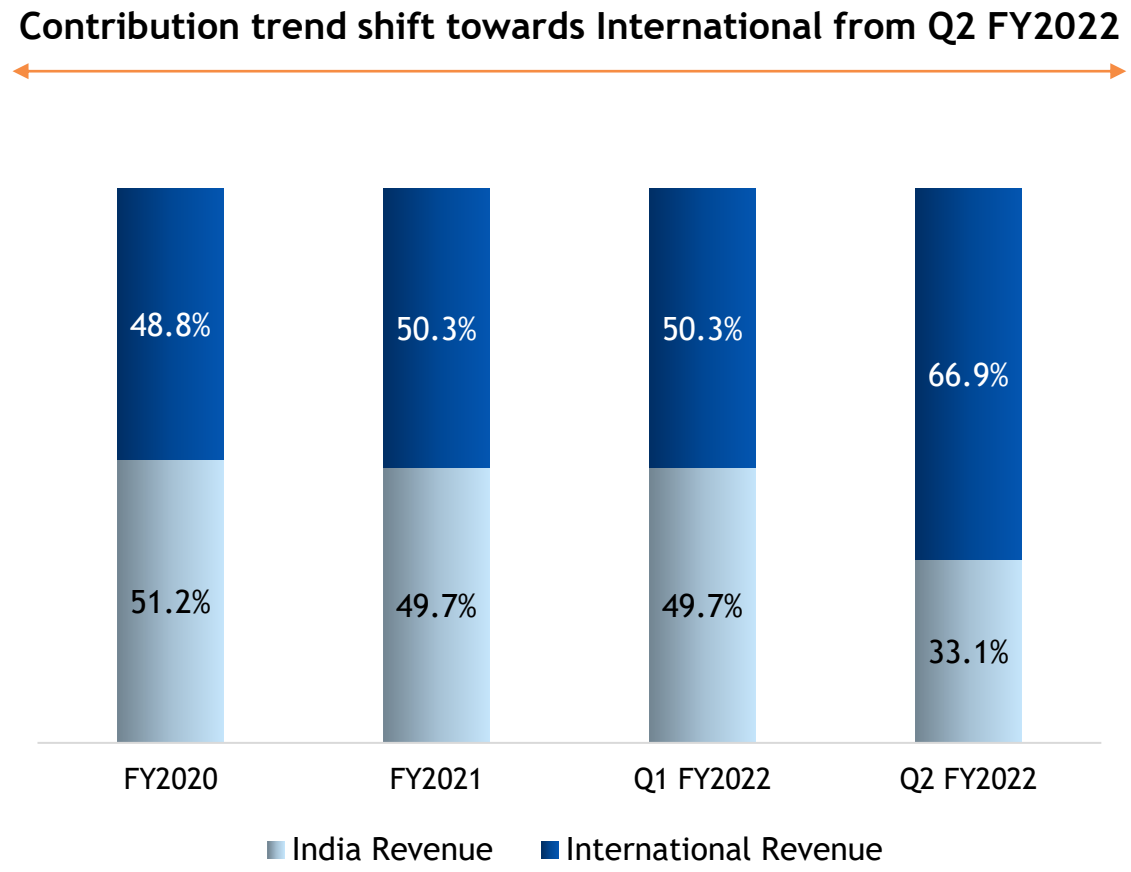
Quarterly Performance Trend (Consolidated)

Revenue from Operations (Rs. mn)



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

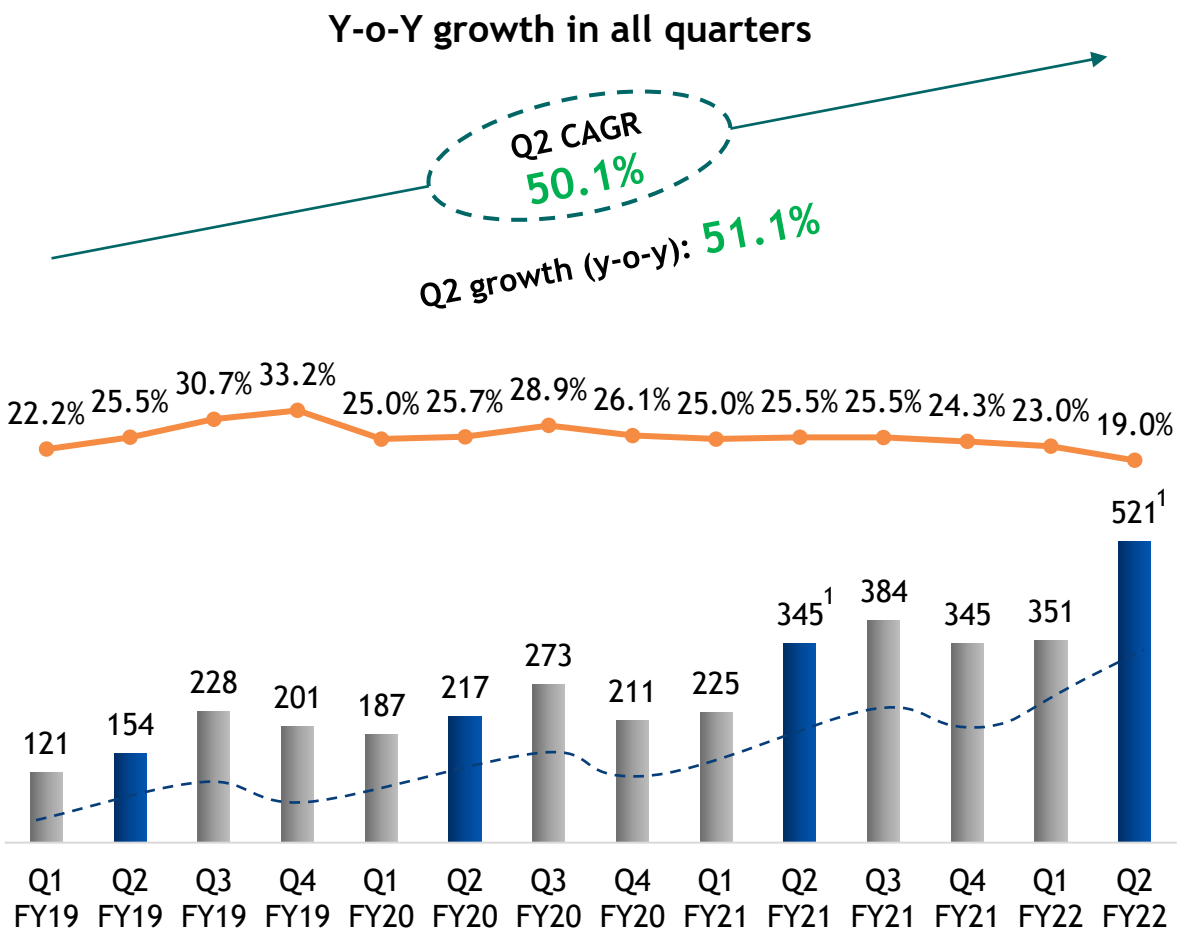
Revenue Contribution (India vs. International)[1]



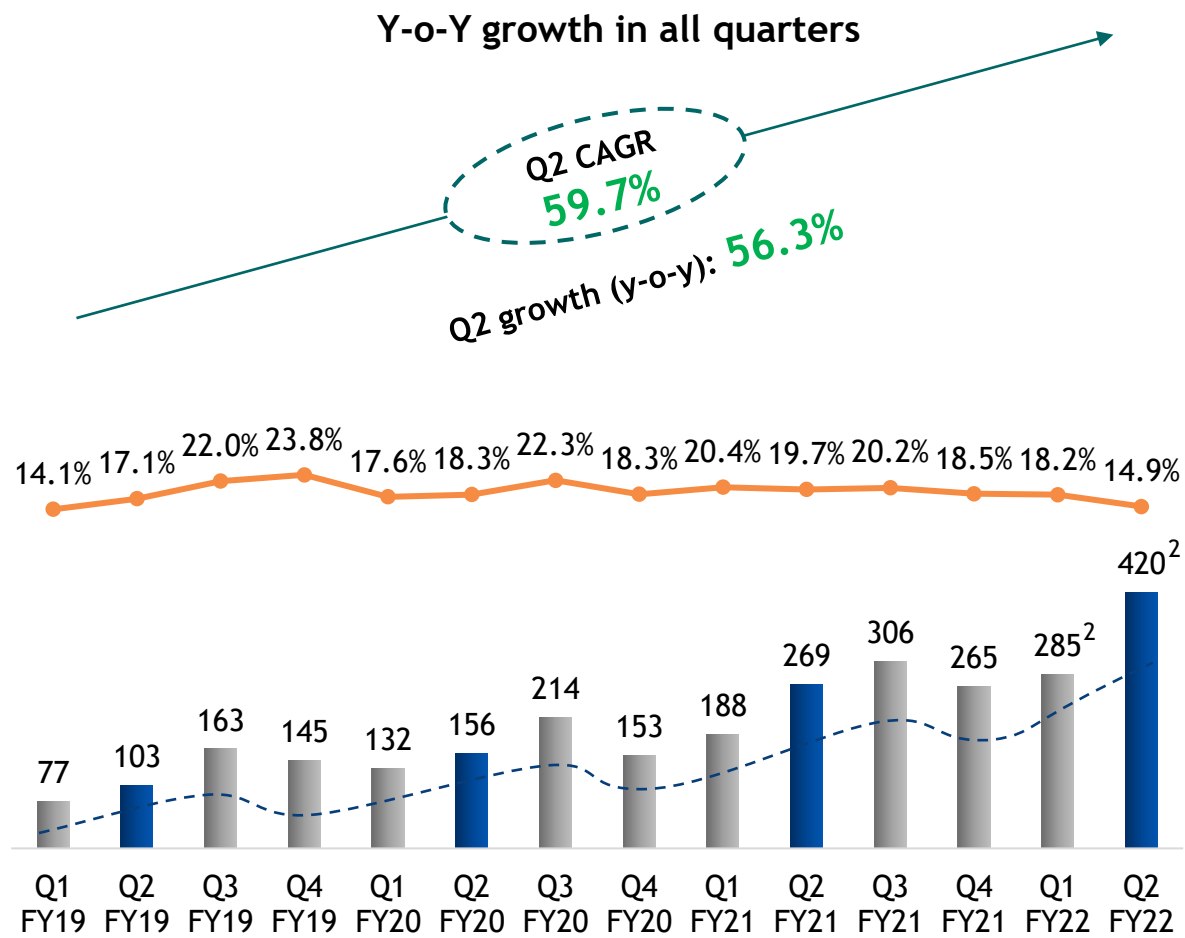
1) Region-wise contribution and is different from the billing entity-wise segmental break-up disclosed in financial results

Quarterly Performance Trend (Consolidated)

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



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

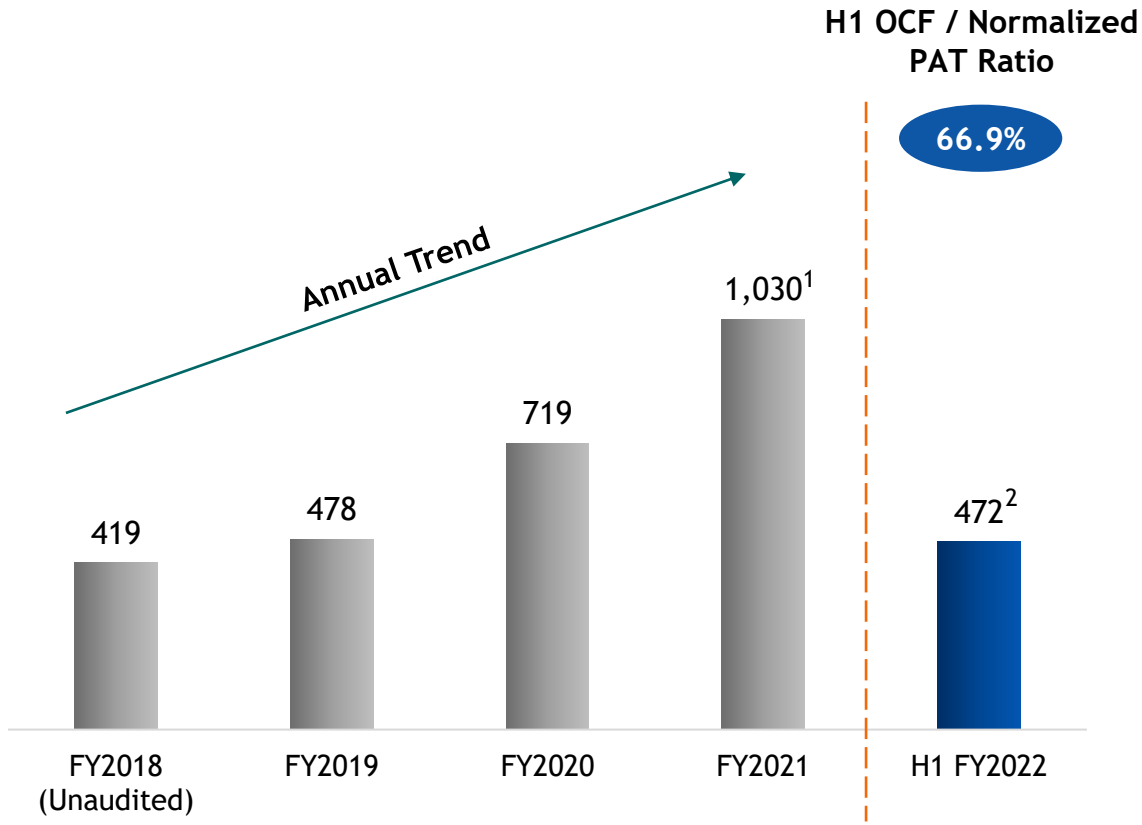


Note: 1) Creditors written back which are part of 'Other Income' in the reported financials, are operating income in nature and adjusted in EBITDA

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

Cashflows Trend and Return Ratios (Consolidated)

Operating Cash Flows (Rs. mn)



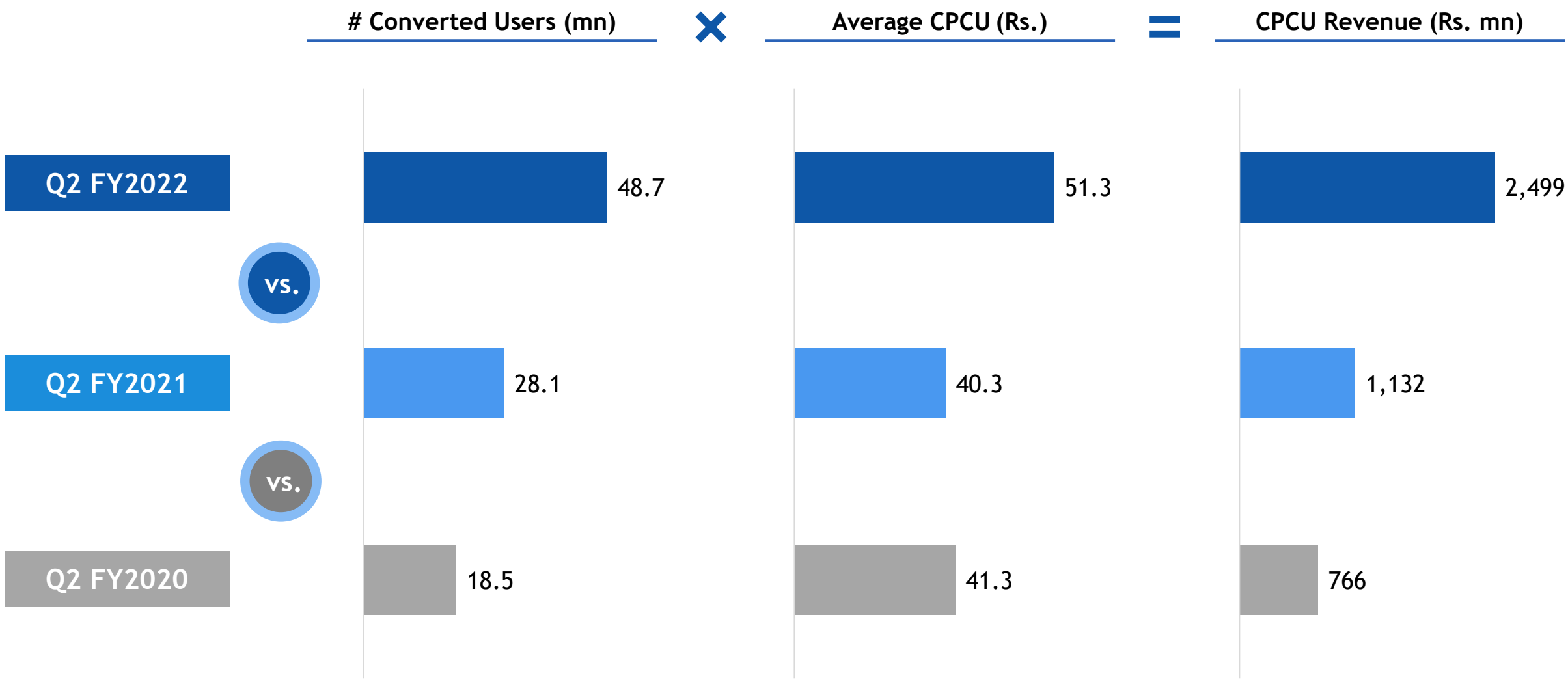
Return Ratios (As of Sept 30, 2021)

Adjusted[3] and on an LTM[4] basis	
**ROE (%) *(Return on Equity)*	27.9%
**ROCE (%) *(Return on Capital Employed)*	15.9%
**ROA (%) *(Return on Assets)*	13.8%
Gross Debt/Equity (x)	0.27x
Net Debt/Equity (x)	0.12x

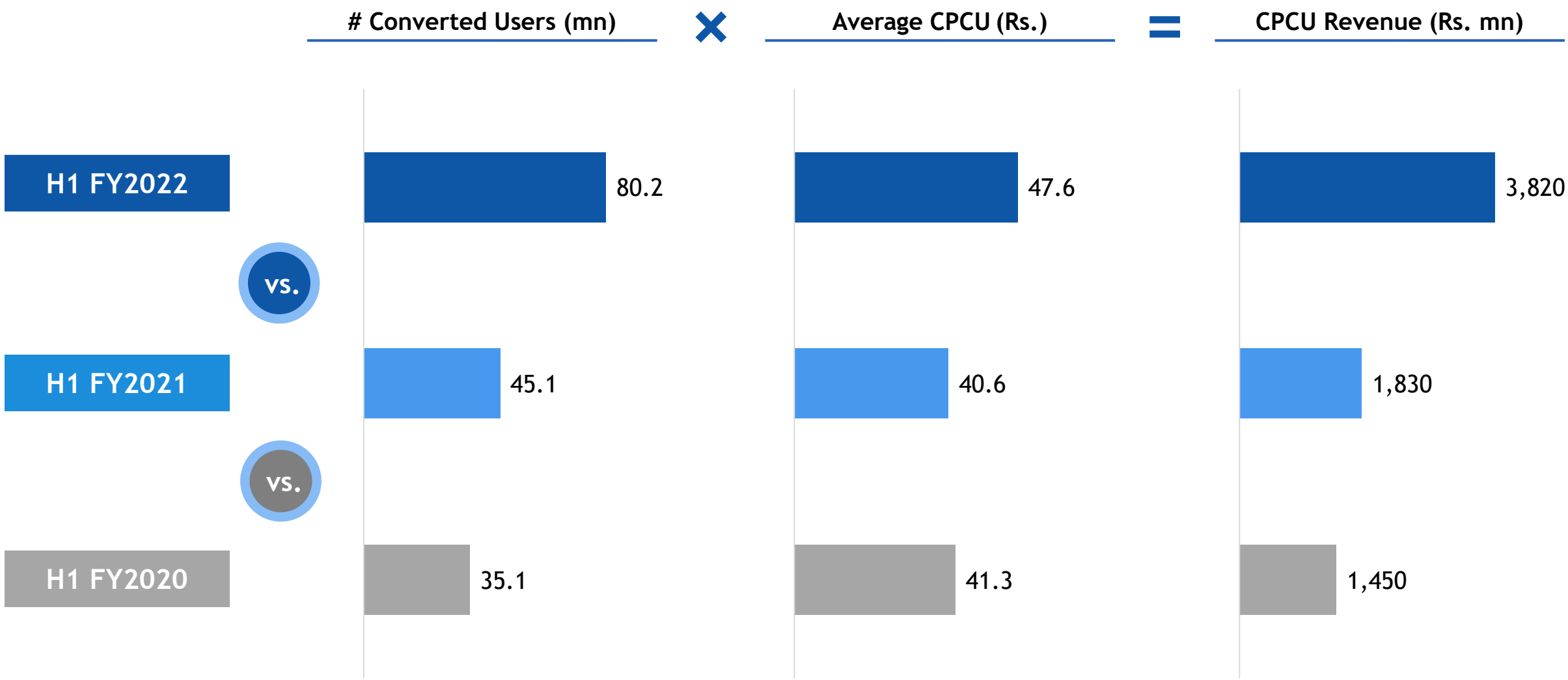
Note: 1) FY2021 OCF was adjusted for Deferred Tax Liability on account of Goodwill of Rs. 14.18mn (one-time expense); 2) Tax outgo on 'Gain on fair valuation of financial instruments' added back to OCF; 3) Return Ratios are adjusted for net QIP proceeds, QIP assets utilized and for the interest on FDs earned out of unutilized QIP proceeds, as of Sept 30, 2021; 4) Last Twelve Months (LTM) = FY2021 + H1 FY2022 - H1 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 | Q2 Performance Trend (y-o-y)

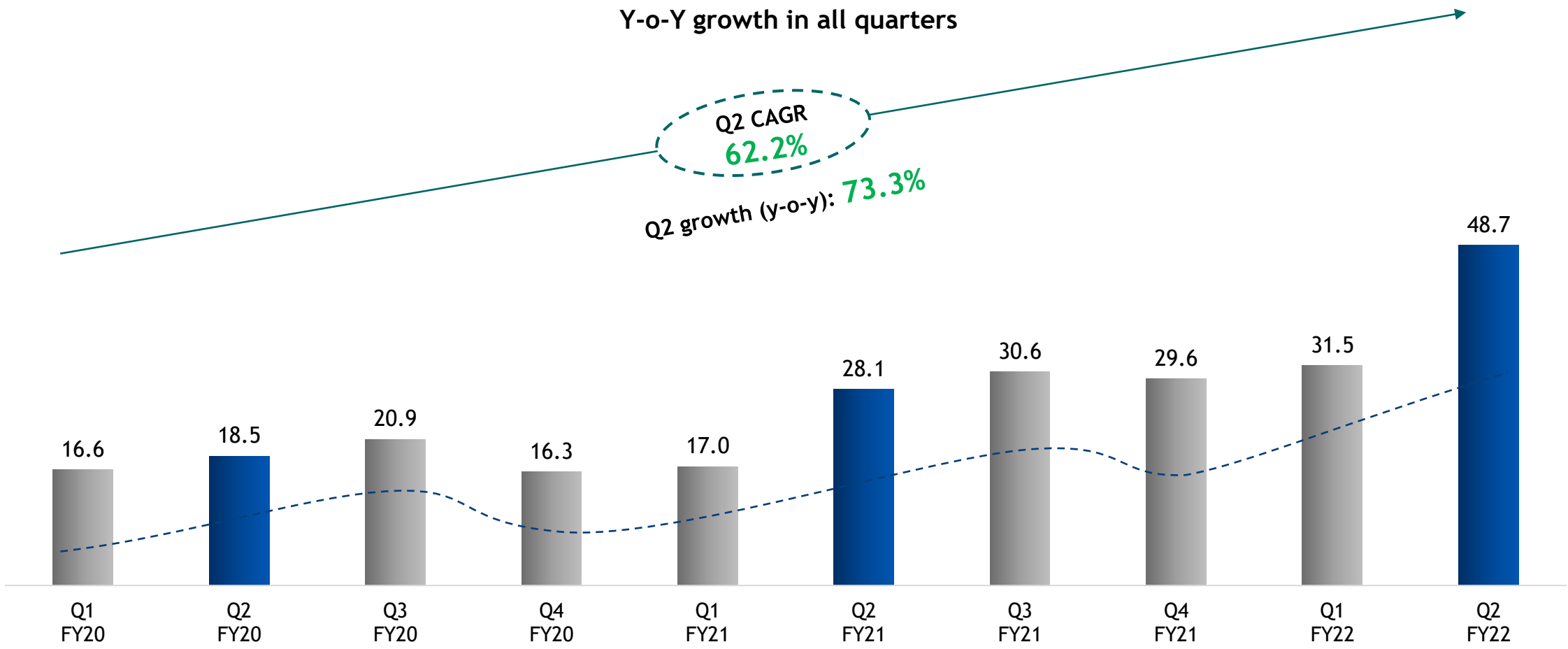


CPCU Business | H1 Performance Trend (y-o-y)



CPCU Business | Conversions Trend

Converted Users (mn)



Verticalized Focus on High Growth Categories

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

Category E

- E-commerce
- EdTech
- Entertainment

Category F

- Fintech
- FMCG
- Foodtech

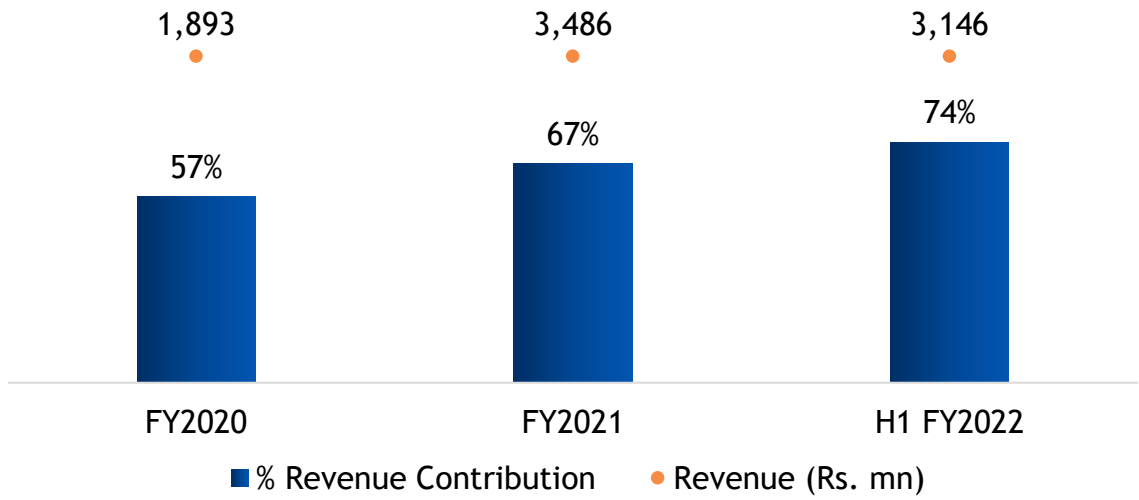
Category G

- Gaming
- Government
- Groceries

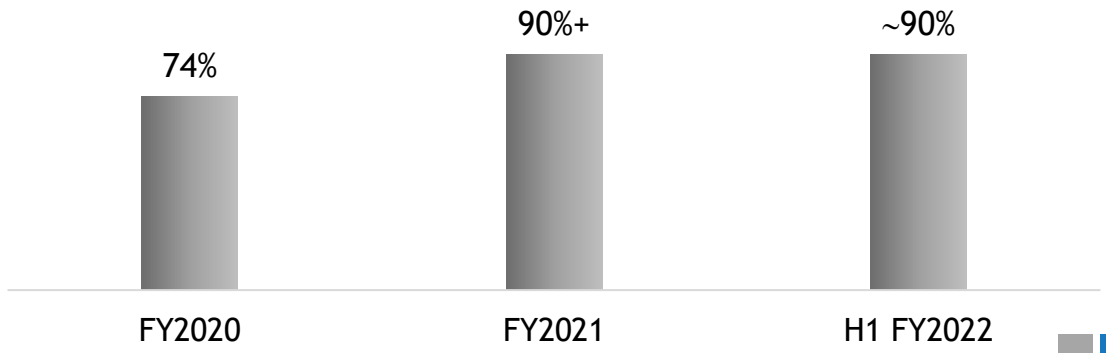
Category H

- Healthtech

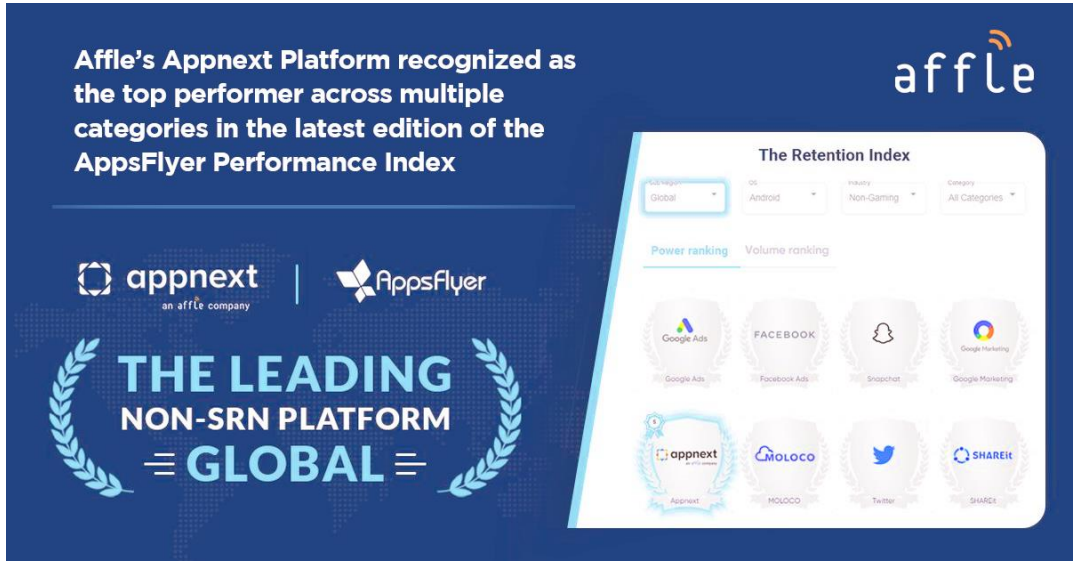
Direct Customers Growth Primarily Powered by E, F, G, H Categories



Revenue Contribution from E, F, G, H Categories



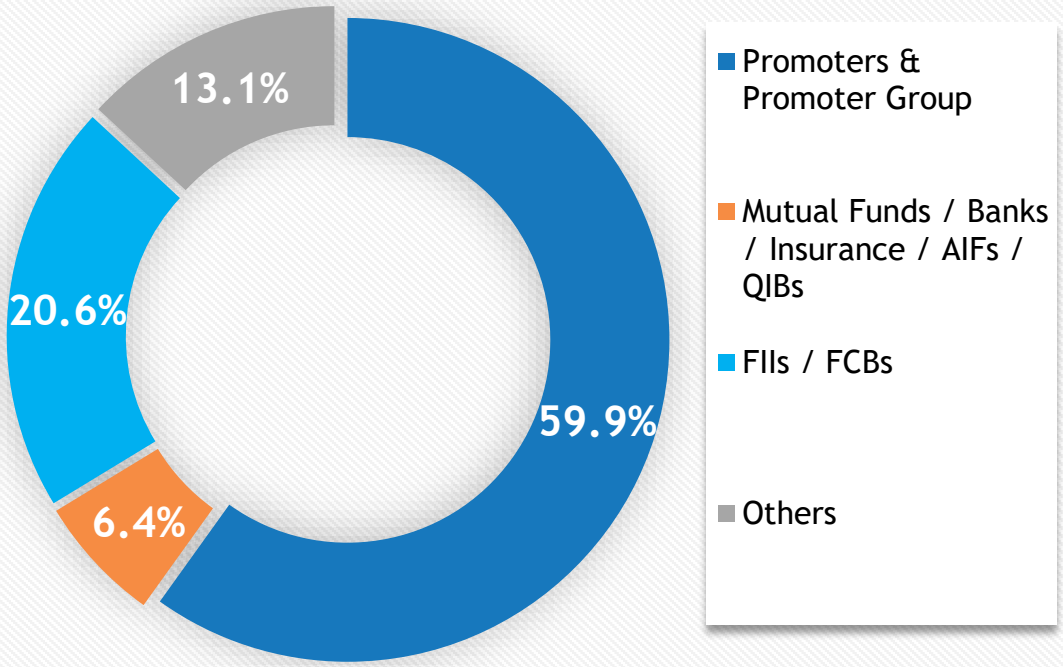
Affle | Recent Developments and Recognitions



Affle | Investors Information

Shareholding Pattern (As on Sept 30, 2021)

Total Shares Outstanding - 133,251,060 (Post stock split)



*Brokerages Covering Affle (Latest)

Institutional Research Desk	Nomura	Dolat Capital	Dalal & Broacha
	ICICI Securities	Bank of Baroda Capital	Spark Capital
	Prabhudas Lilladher		
HNI / Retail Desk	Sharekhan	Axis Securities	ICICI Direct

**In order of coverage initiated*

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 (**99.1%** H1 FY22 revenue)[1]
2) **Enterprise Platform:** Enabling offline businesses to go online through App development, O2O[2] commerce & data analytics (**0.9%** of H1 FY22 revenue)[1]

GLOBAL REACH

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

39.0%
India revenue[1,3] H1 FY2022

61.0%
International revenue[1,3] H1 FY2022

END TO END MOBILE ADVERTISING PLATFORM

- In-house data management platform with over **2.4 Bn**[4] 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

6
Patents granted in US related to digital advertising, detection of fraud and voice-based intelligence

14
Patents filed in US, India and/or Singapore related to innovative futuristic use cases

FINANCIAL SUMMARY[5]

(12M FY2021 Consolidated)

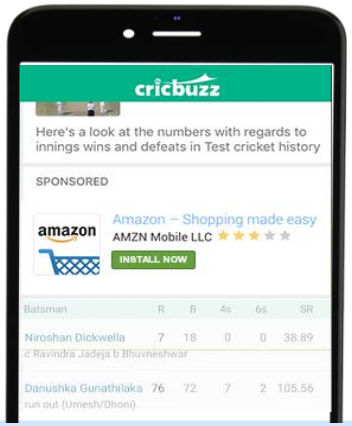
Revenue	Rs. 5,168mn
EBITDA	Rs. 1,300mn
PAT	Rs. 1,031mn

1) For six months ended Sept 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 Oct 1, 2020 to Sept 30, 2021; 5) Refer our Q4 FY2021 Earnings Presentation for detailed financial working and adjustments

Affle | Cost Per Converted User (CPCU) Business

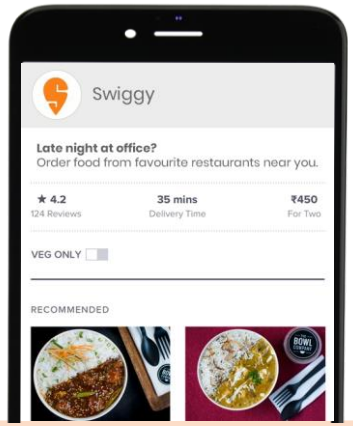
91.6% of Consumer Platform revenue contributed by CPCU model in Q2 FY2022 and 8.4% from Non-CPCU

New user conversion (online)



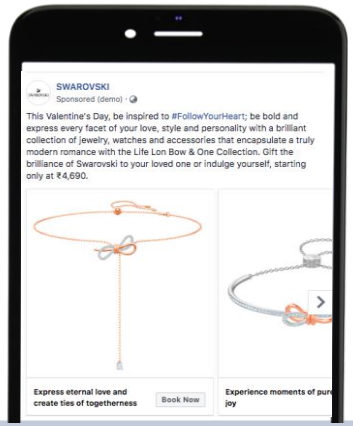
Use Case - Targeted new user acquisition optimized to in-app transaction/registration/event

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)

Affle Consumer Platform Case Studies

1. **Tokopedia** | Driving business growth in Indonesia
2. **CoinDCX** | Maximizing engagement with high-intent users in India
3. **Fossil** | Powering omnichannel journeys and offline conversions in India

Tokopedia | Driving business growth in Indonesia

About the Advertiser

Tokopedia is Indonesia's biggest online marketplace

Objective

Drive business growth through greater conversions from existing customers who have turned dormant

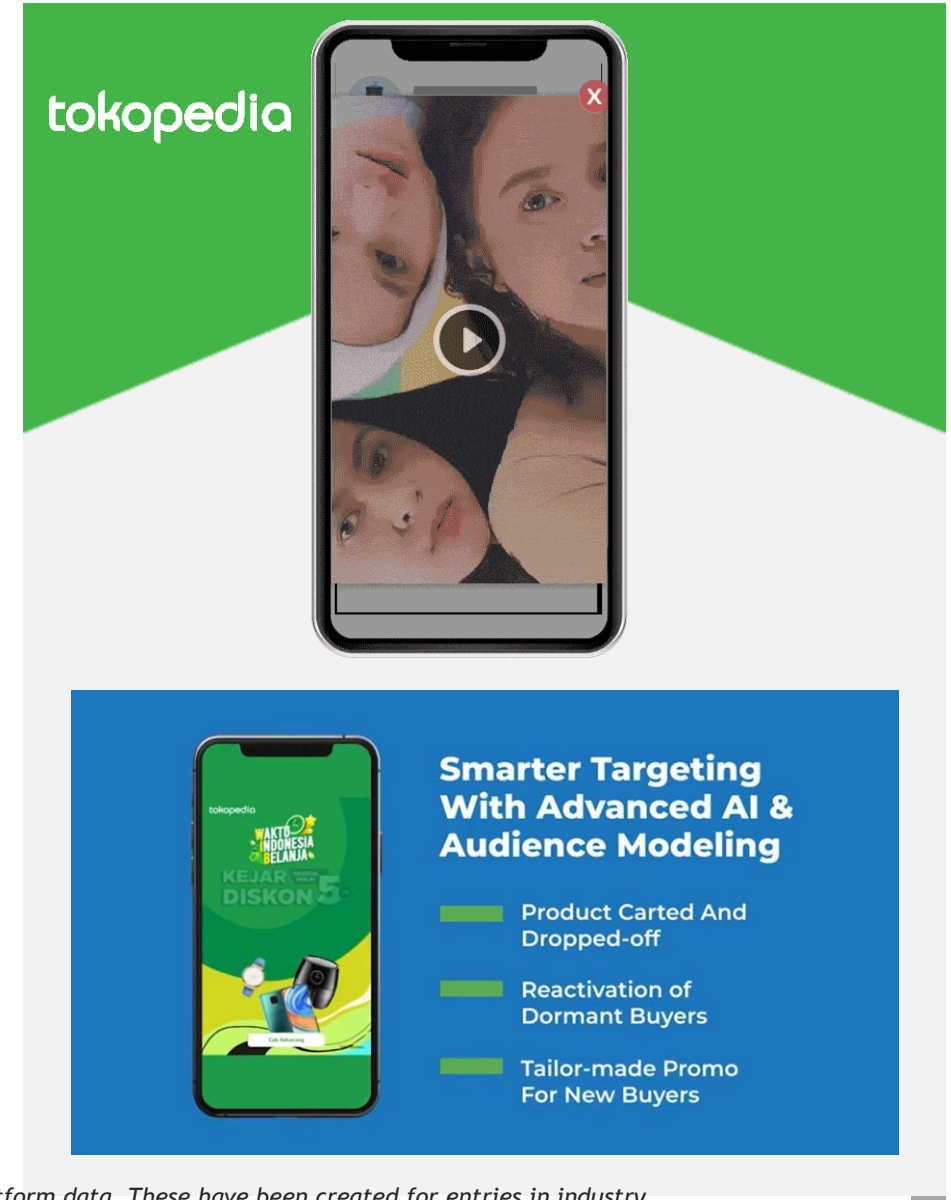
Affle Consumer Platform Solutions

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

- Leveraging consumer intelligence with dynamic real-time targeting to reach high intent users
- High engagement video ads with dynamic creative optimization to drive maximum conversions and boost app engagement
- Daypart and Location led targeting to drive Incremental conversions

Results

- 6X+ Boost in conversion rate by Video Ads
- 5.3X Increase in ROAS on Video Ads
- 3X+ Boost in App Engagement with Dynamic Ads
- 2X+ Increase in Conversions (Marketplace) by leveraging DCO capabilities



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 '21 to Jul '21 (3) The ads and/or platform modules/screenshots shown here are for illustrative purpose only

CoinDCX | Maximizing engagement with high-intent users in India

About the Advertiser

CoinDCX is India's first crypto unicorn

Objective

Amid significant cryptocurrency investment growth in India, CoinDCX's aim was to demonstrate to unfamiliar Indian customers the simplicity and safety of purchases and target those users who were most likely to make an immediate purchase

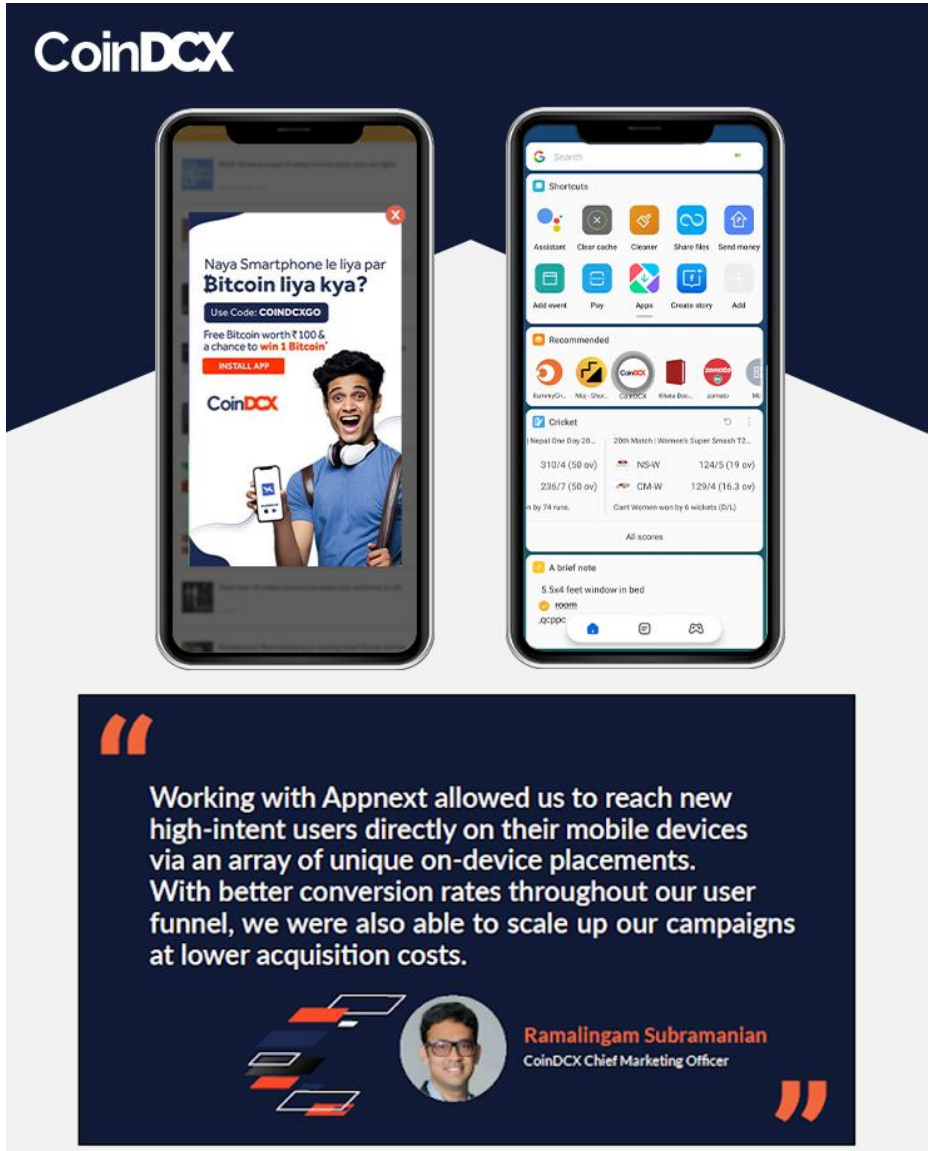
Affle Consumer Platform Solutions

Affle's app recommendation platform helped CoinDCX to

- Find & target new users via app recommendations that were shown directly on-devices of highly-intent users
- Proprietary AI-based technology and predictive analytics, to accurately recommend CoinDCX via dynamic engagements that are presented at relevant moments during the mobile journey of relevant users

Results

- Over **75K conversions** delivered in Q1 & Q2
- **10%+** Month on Month growth
- **40%+** Uplift in registration



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 : Feb '21-Jul '21 (3) The ads and/or platform modules/screenshots shown here are for illustrative purpose only

Fossil | Powering omnichannel journeys and offline conversions in India

About the customer

Fossil is a leading global fashion and accessories brand

Objective

With offline retail starting to open up after lockdowns, Fossil wanted to drive more sales and footfall at its physical stores across India. They wanted to drive traffic from their digital shoppers who were exploring products online but wanted to try-and-buy in-store

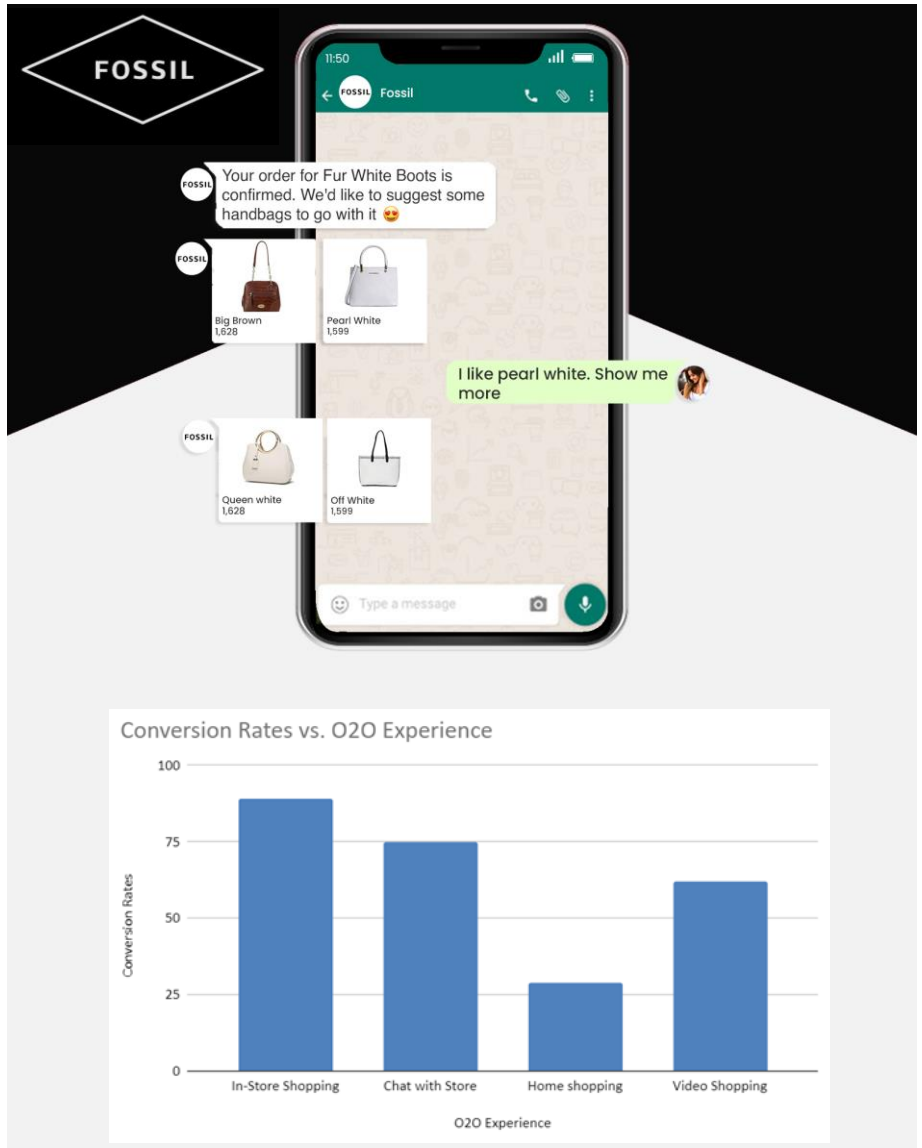
Affle Consumer Platform Solutions

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

- Direct ecommerce traffic to physical stores by leveraging O2O web-widgets
- Conversational Commerce to give shoppers the option to reserve and buy products directly on WhatsApp from their hyperlocal Fossil store.
- Online-to-Offline Attribution to help track footfalls & purchases and to maximize Incremental visits to stores & uplift revenue

Results

- **87%** online leads converted to in-store sales
- **23X** Return on Investment
- **Double-digit growth in offline sales** from online channels



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 : May '21 - Jul '21 (3) The ads and/or platform modules/screenshots shown here are for illustrative purpose only

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