



# Affle (India) Limited

## Q3 & 9M FY2022 Earnings Presentation

For the period ended December 31, 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

Q3 FY2022

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

Q3 FY2022 vs. Q3 FY2021

**Up 125.5%**  
Y-o-Y

## EBITDA<sup>2</sup> Growth

**Up 76.4%**  
Y-o-Y

## \*PAT Growth

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

**Up 96.0%**  
Y-o-Y

## Key Ratios 9M FY2022

**\*\*LTM ROE: 29.4%**

**\*\*LTM ROCE: 17.9%**

**Operating Cash Flow<sup>3</sup> / PAT: 106.4%**

9M FY2022

9M FY2022 vs. 9M FY2021

**Up 104.3%**  
Y-o-Y

**Up 62.4%**  
Y-o-Y

**Up 71.2%**  
Y-o-Y

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 Dec 31, 2021; Last Twelve Months (LTM) = FY2021 + 9M FY2022 - 9M FY2021

# Consolidated Financial Summary

In Rs. million	Q3 FY2022	Q3 FY2021	Y-o-Y Growth	Q2 FY2022	Q-o-Q Growth	9M FY2022	9M FY2021	Y-o-Y Growth
Revenue from Contracts with Customers	3,394	1,505	125.5%	2,747	23.6%	7,666	3,752	104.3%
Inventory and Data Costs	2,154	872	147.1%	1,755	22.7%	4,793	2,165	121.4%
Employee Benefits Expense	371	161	130.0%	314	18.1%	872	376	131.9%
Other Expenses	193	88	118.2%	158	21.8%	453	259	75.0%
Add: Creditors written back <sup>1</sup> (Other Operating Income)	-	-		0.8		0.8	0.7	
<b>EBITDA</b>	<b>677</b>	<b>384</b>	<b>76.4%</b>	<b>521</b>	<b>29.9%</b>	<b>1,548</b>	<b>953</b>	<b>62.4%</b>
<i>% EBITDA Margin</i>	<i>19.9%</i>	<i>25.5%</i>		<i>19.0%</i>		<i>20.2%</i>	<i>25.4%</i>	
Depreciation and Amortisation Expense	99	51		81		231	145	
Finance Costs	19	10		22		55	24	
Other Income (Excl. Creditors written back, if any)	144	14		151		423	54	
<b>Profit Before Tax</b>	<b>704</b>	<b>338</b>	<b>108.2%</b>	<b>570</b>		<b>1,685</b>	<b>840</b>	<b>100.8%</b>
Total Tax	81	31		92		225	75	
(Subtract): Non-controlling Interest	2.2	0.5		2.1		5.9	1.4	
<b>Profit After Tax (Net of Non-controlling interest)<sup>2</sup></b>	<b>621</b>	<b>306</b>	<b>102.6%</b>	<b>476</b>	<b>30.4%</b>	<b>1,454</b>	<b>763</b>	<b>90.6%</b>
<i>% PAT Margin</i>	<i>17.5%</i>	<i>20.2%</i>		<i>16.4%</i>		<i>18.0%</i>	<i>20.0%</i>	

## Calculation of Normalized 'Profit After Tax'

PAT - (1.a.) + (2.)	1. Other Income (Excl. Creditors written back) comprises:							
	1.a. Gain on fair valuation of financial instruments	25	-	72	180	-		
	1.b. Other Income in ordinary course of business	119	14	80	243	54		
	2. Tax outgo on Gain on financial instruments	5	-	16	32	-		
	<b>Normalized PAT</b>	<b>601</b>	<b>306</b>	<b>96.0%</b>	<b>420</b>	<b>42.9%</b>	<b>1,306</b>	<b>763</b>
	<i>Normalized PAT Margin %</i>	<i>17.1%</i>	<i>20.2%</i>		<i>14.9%</i>		<i>16.5%</i>	<i>20.0%</i>

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)

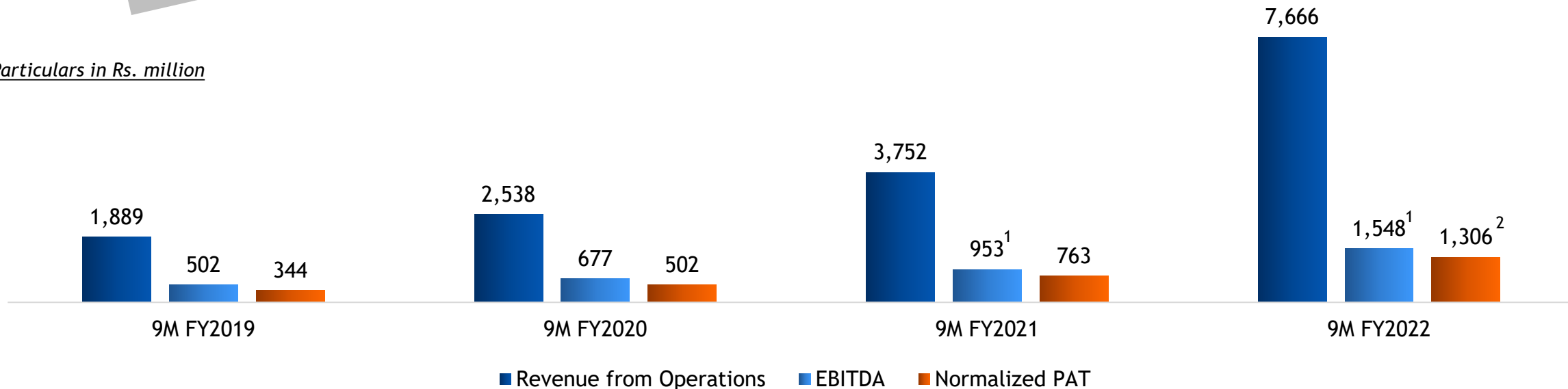
# YTD Performance Trend (Consolidated)

CAGR (9M FY19 - 9M FY22)

Revenue CAGR **59.5%**  
 EBITDA CAGR **45.5%**  
 PAT CAGR **56.1%**

Y-o-Y Growth **104.3%** **62.4%** **71.2%**

Particulars in Rs. million



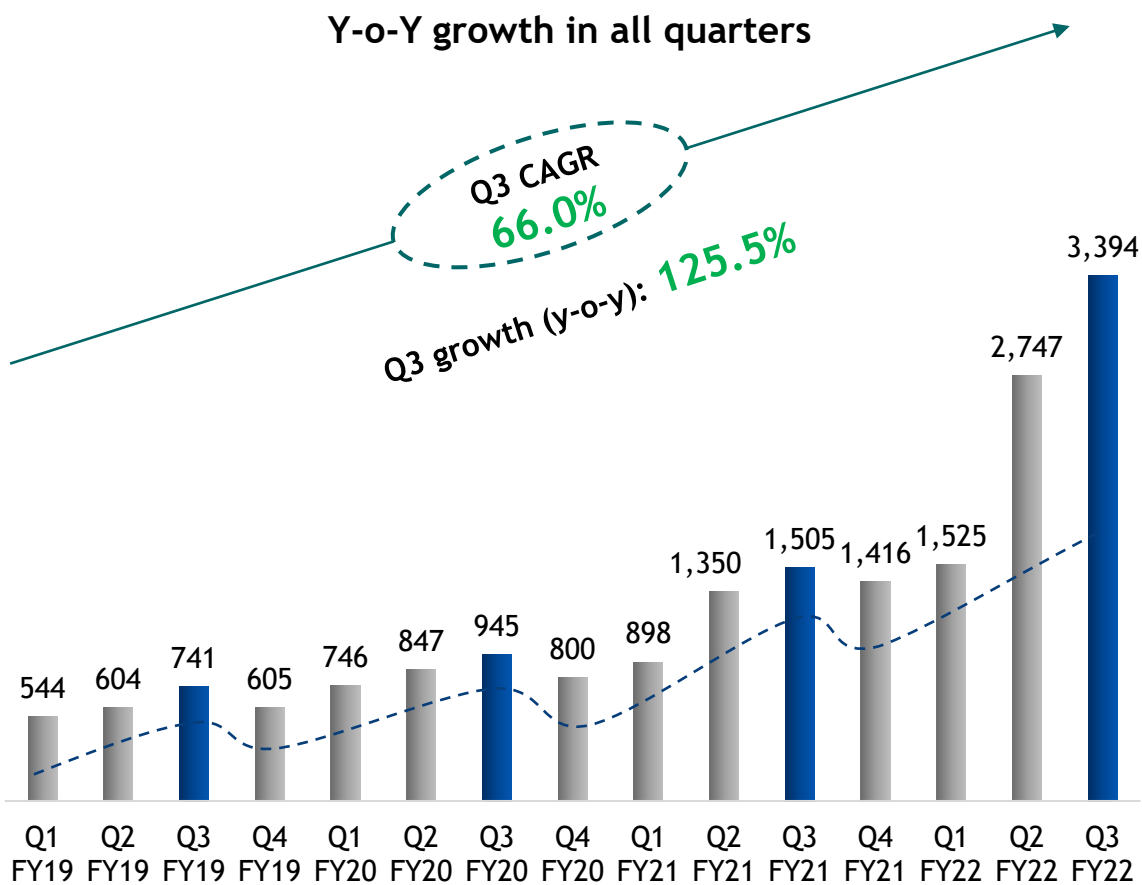
Note: 1) Creditors written back which are part of 'Other Income' in the reported financials, are operating income in nature and adjusted in EBITDA (Refer slide 4)

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

# Quarterly Performance Trend (Consolidated)

## Revenue from Operations (Rs. mn)

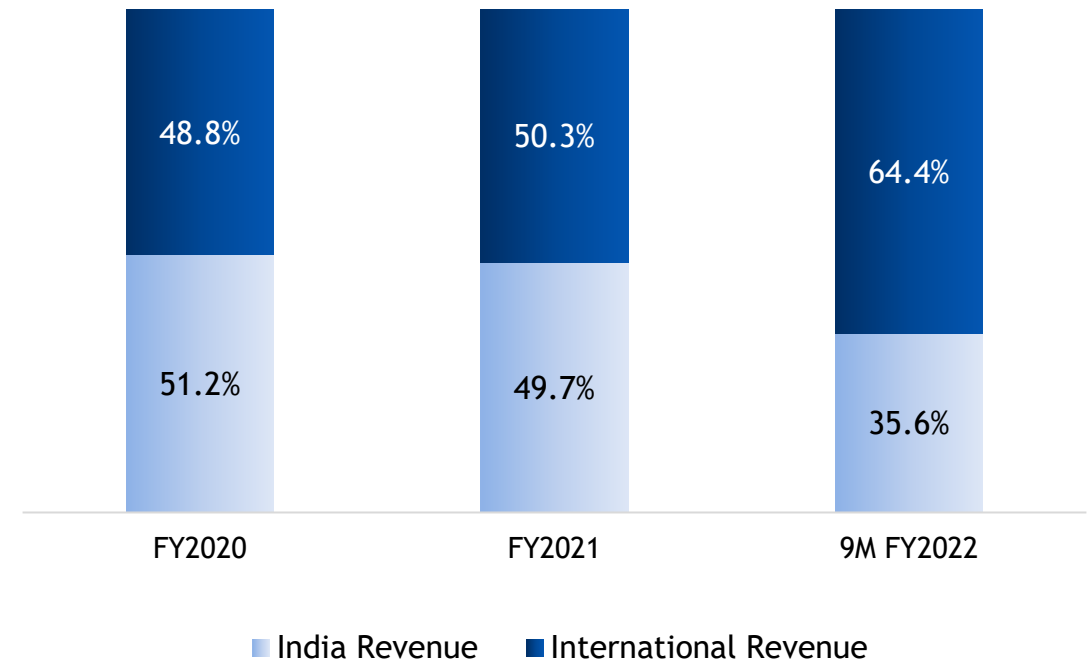
Y-o-Y growth in all quarters



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

## Revenue Contribution (India vs. International)<sup>1</sup>

Contribution trend shift towards International from Q2 FY2022

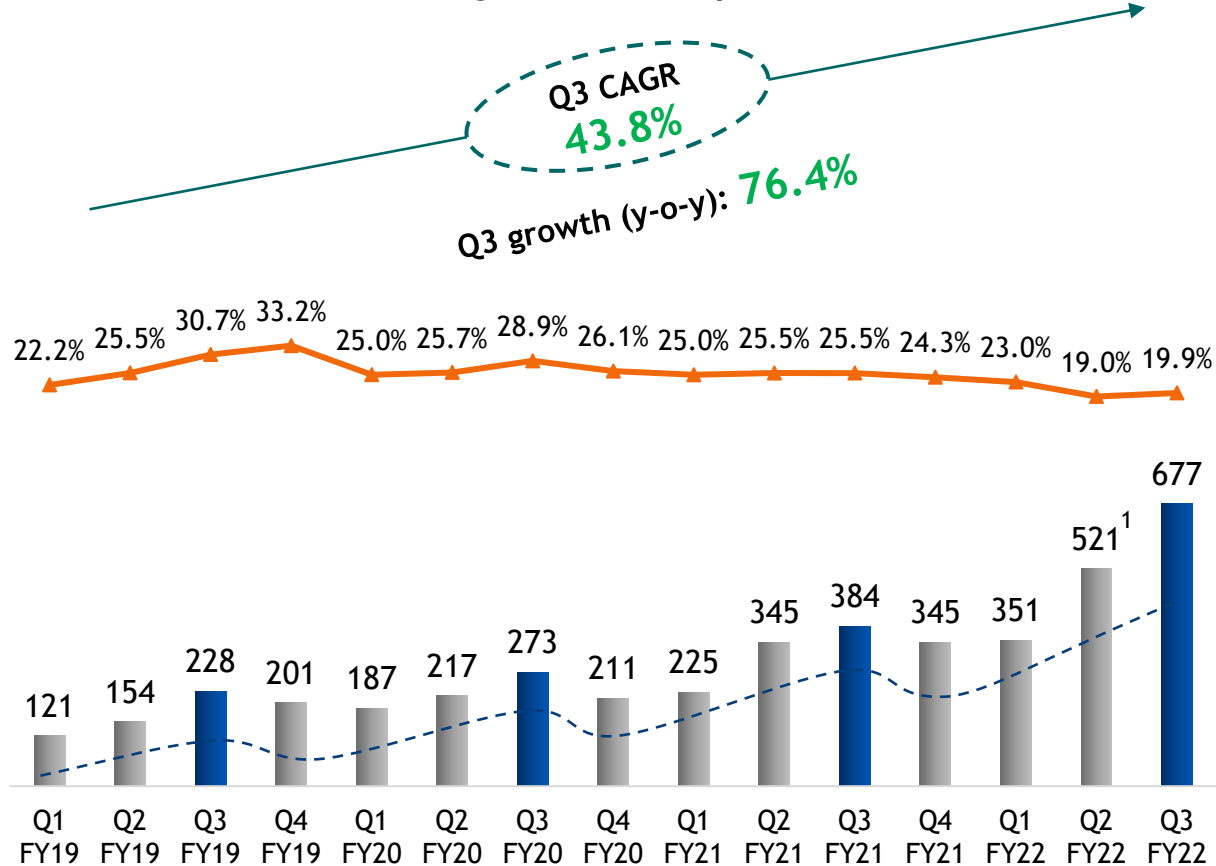


1) Region-wise contribution and is different from the billing entity-wise segmental break-up disclosed in financial results

# Quarterly Performance Trend (Consolidated)

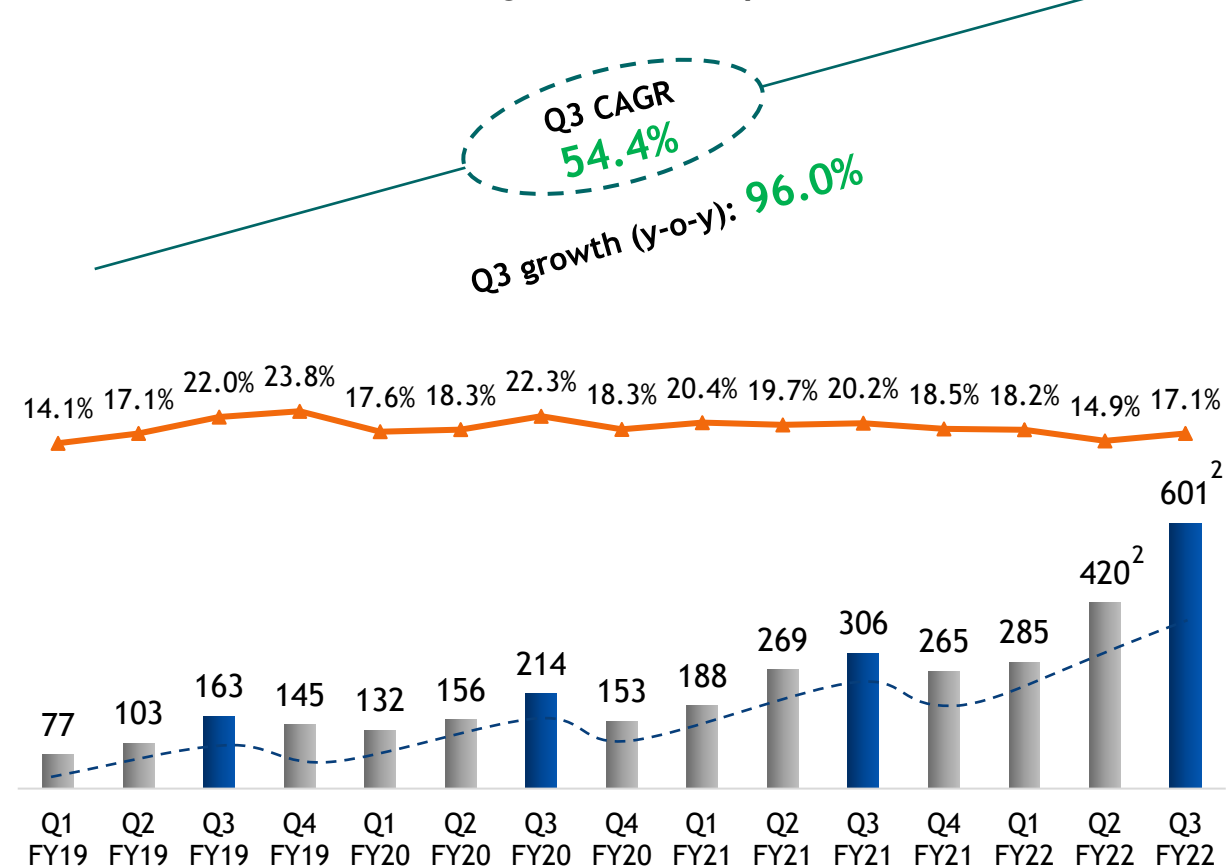
## EBITDA (Rs. mn) & EBITDA Margin (%)

Y-o-Y growth in all quarters



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

Y-o-Y growth in all quarters

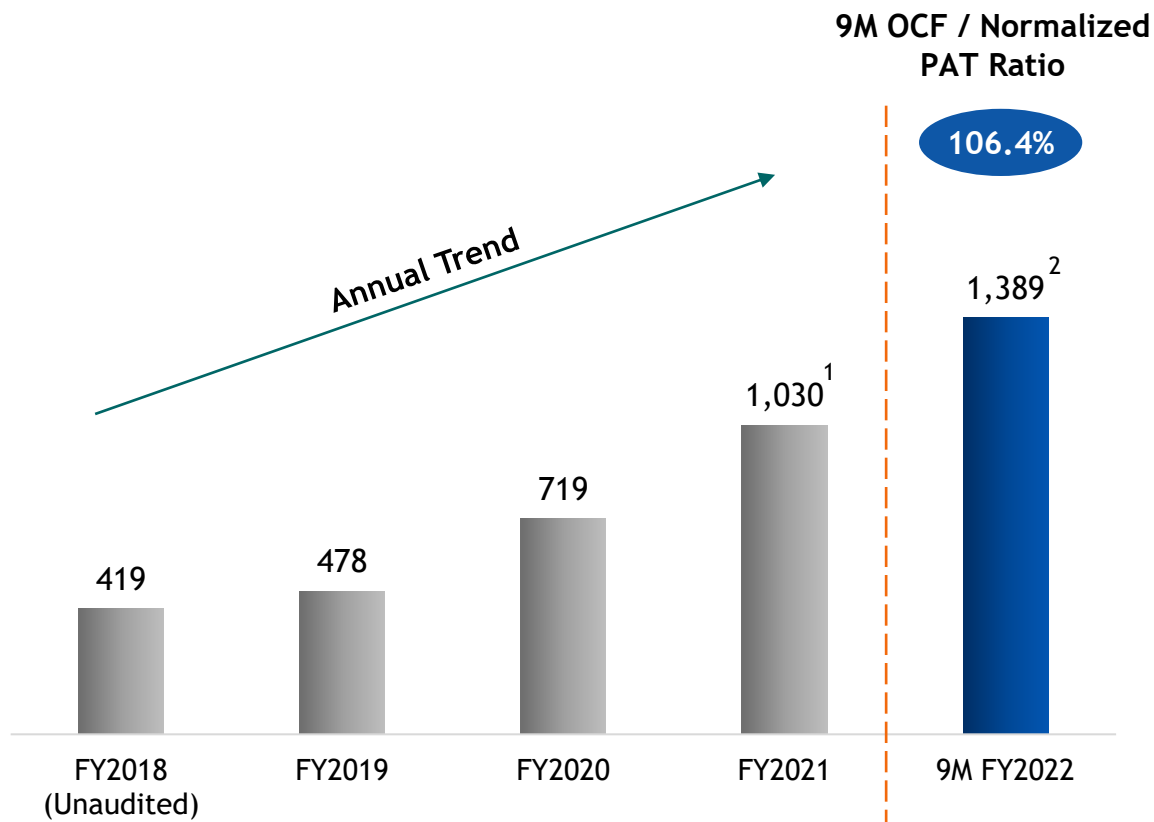


Note: 1) Creditors written back which are part of 'Other Income' in the reported financials, are operating income in nature and adjusted in EBITDA

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 December 31, 2021)

*(Adjusted to normalize the unutilized portion of QIP Proceeds) and on an LTM<sup>3</sup> basis*

**ROE (%) (Return on Equity)	29.4%
**ROCE (%) (Return on Capital Employed)	17.9%
**ROA (%) (Return on Assets)	14.3%
Gross Debt/Equity (x)	0.24x

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) Last Twelve Months (LTM) = FY2021 + 9M FY2022 - 9M 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 | Q3 Performance Trend (y-o-y)

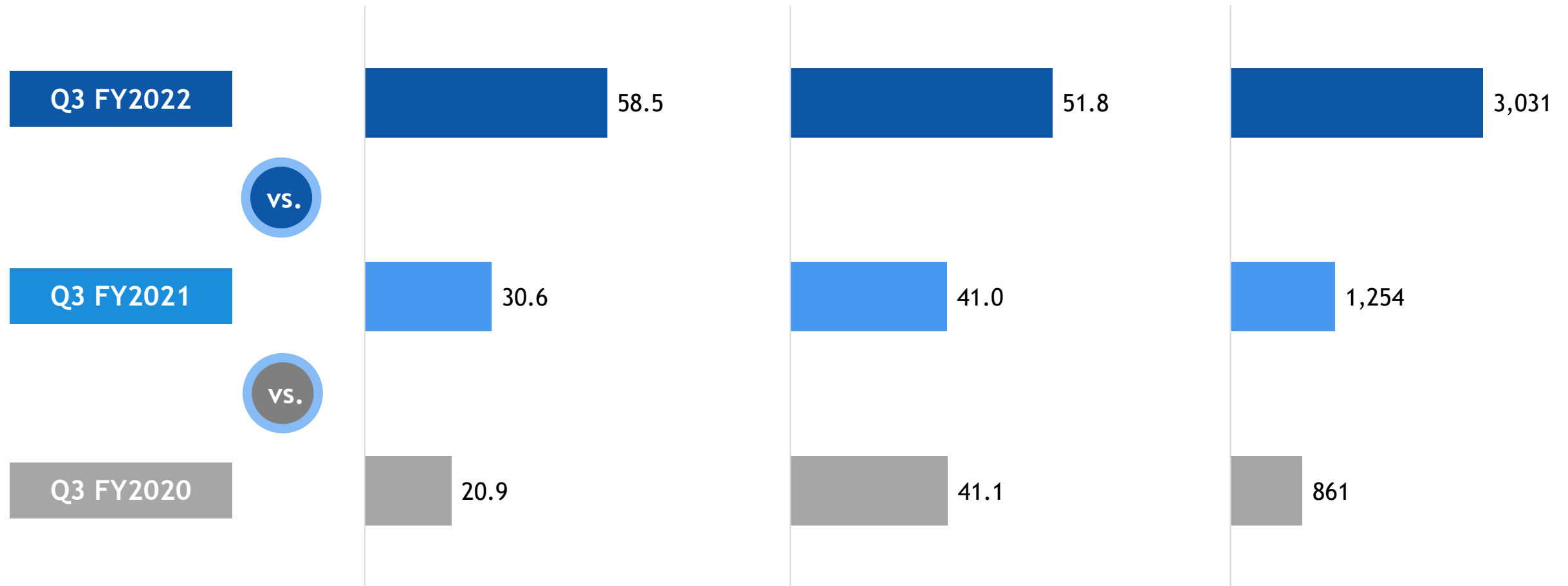
# Converted Users (mn)



Average CPCU (Rs.)



CPCU Revenue (Rs. mn)



# CPCU Business | 9M Performance Trend (y-o-y)

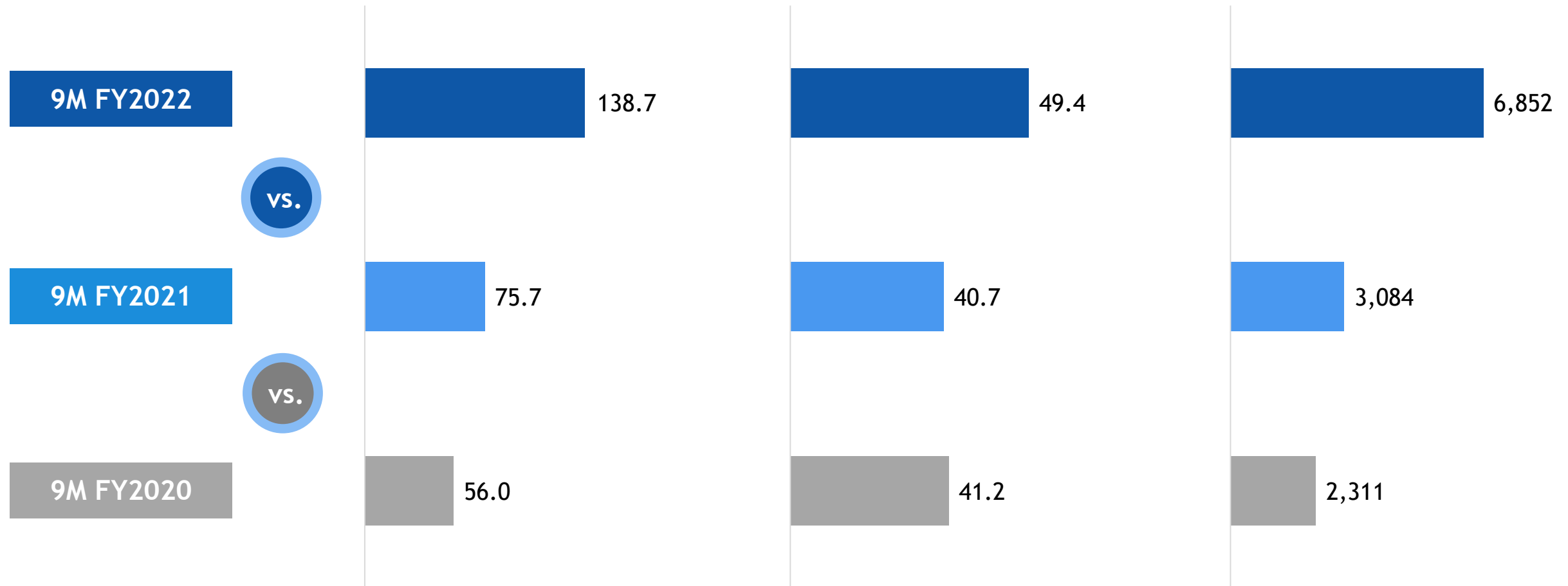
# Converted Users (mn)



Average CPCU (Rs.)



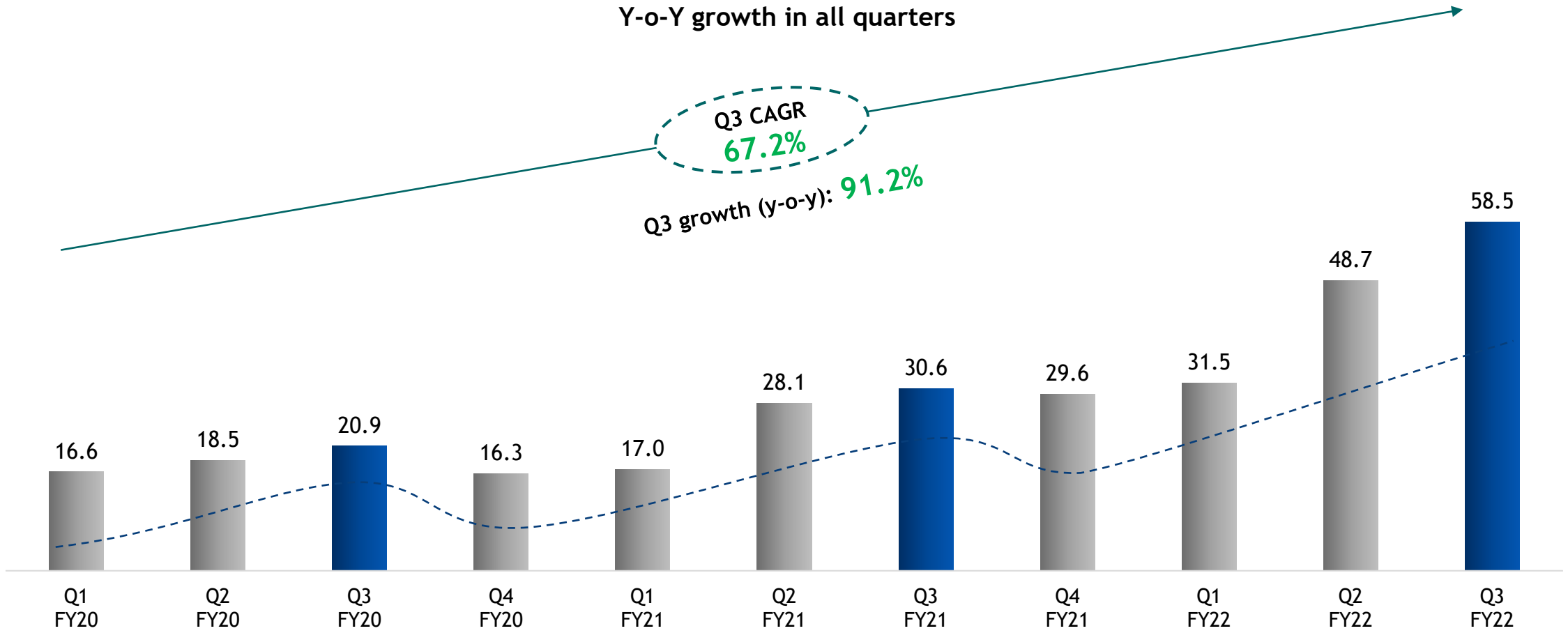
CPCU Revenue (Rs. mn)



# CPCU Business | Conversions Trend

## Converted Users (mn)

Y-o-Y growth in all quarters

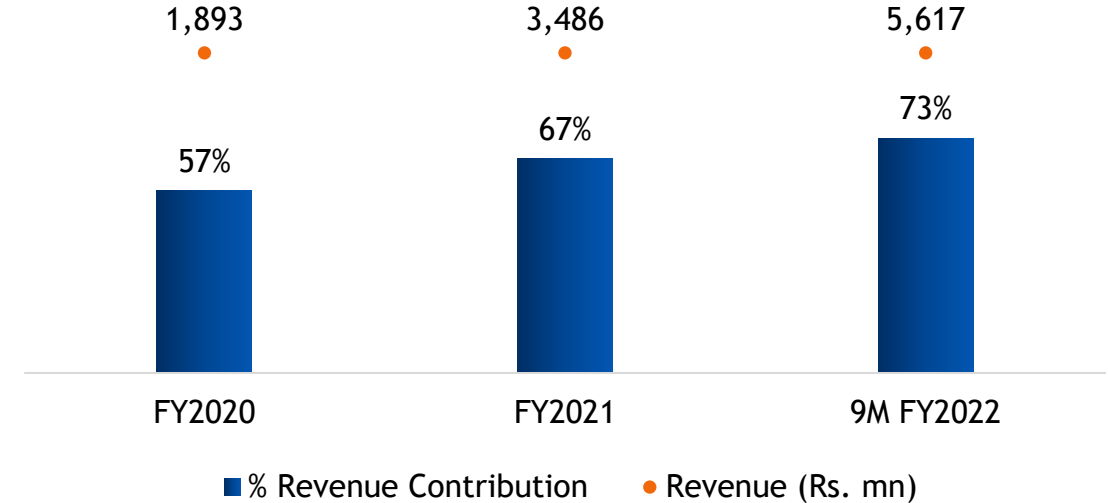


# Verticalized Focus on High Growth Categories

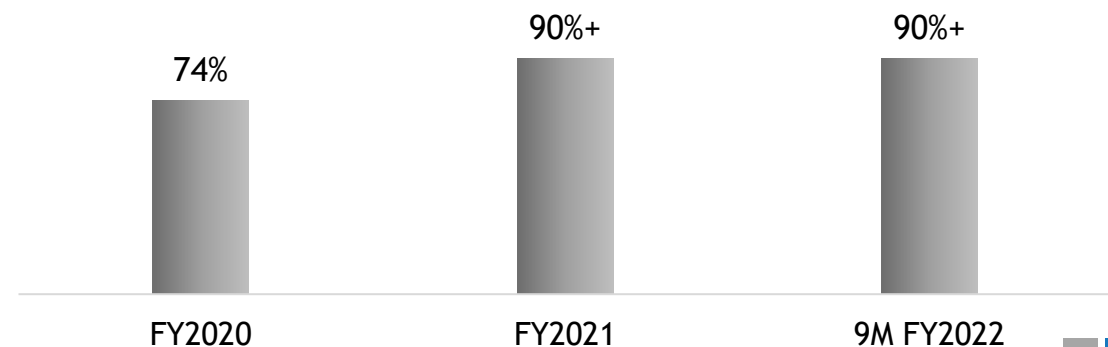
## Fast Growing & Resilient Top Verticals across E, F, G, H Categories

<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 Groceries Government	<p><b>Category H</b></p> Healthtech Hospitality & Travel

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



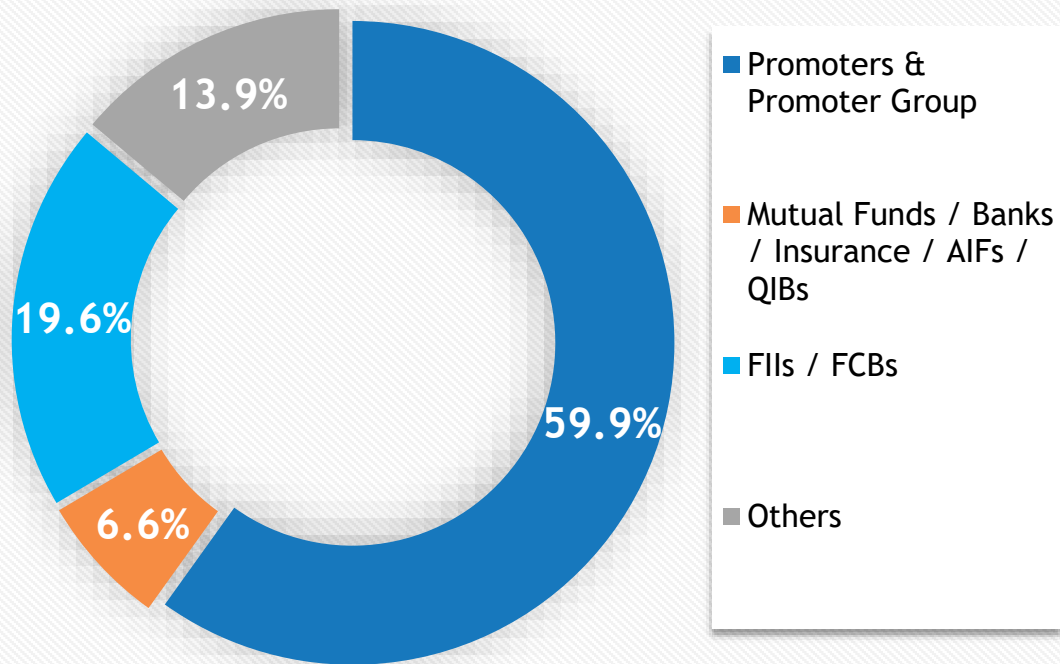
## Revenue Contribution from E, F, G, H Categories



# Affle | Investors Information

## Shareholding Pattern (As on Dec 31, 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	DAM Capital (IDFC Research)	Amsec

### HNI / Retail Desk

Sharekhan	Axis Securities	ICICI Direct
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\*In order of coverage initiated

# Business Overview & Case Studies

- Affle | At a Glance
- CPCU Business Model
- Affle2.0 Culture
- Affle2.0 Strategy
- Affle Consumer Platform Case Studies

# 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% 9M FY22 revenue**)<sup>1</sup>
- 2) **Enterprise Platform:** Enabling offline businesses to go online through App development, O2O<sup>2</sup> commerce & data analytics (**0.9% of 9M FY22 revenue**)<sup>1</sup>



## GLOBAL REACH

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

**35.6%**  
India revenue<sup>1,3</sup>  
9M FY2022

**64.4%**  
International revenue<sup>1,3</sup>  
9M FY2022



## END TO END MOBILE ADVERTISING PLATFORM

- In-house data management platform with over **2.4 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

**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<sup>5</sup>

(Consolidated)	9M FY22 (Rs. mn)	FY21 (Rs. mn)	FY20 (Rs. mn)
Revenue	7,666	5,168	3,338
EBITDA	1,548	1,300	888
PAT (Normalized)	1,306	1,031	655

1) For nine months ended Dec 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 Jan 1, 2021 to Dec 31, 2021; 5) Refer our respective periods Earnings Presentation for detailed financial working and adjustments

# Affle | Cost Per Converted User (CPCU) Business

90.2% of Consumer Platform revenue contributed by CPCU model in Q3 FY2022 and 9.8% from Non-CPCU



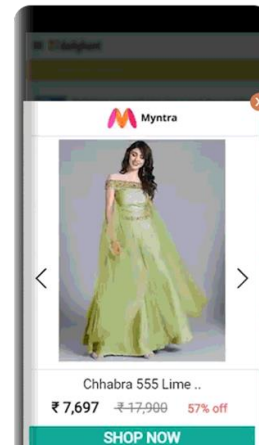
New user conversion  
(online)



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 - Driving footfalls and transactions at physical retail stores (O2O)



# Affle2.0 Culture | Tech Innovations & Accreditation

## Global Tech IP Portfolio

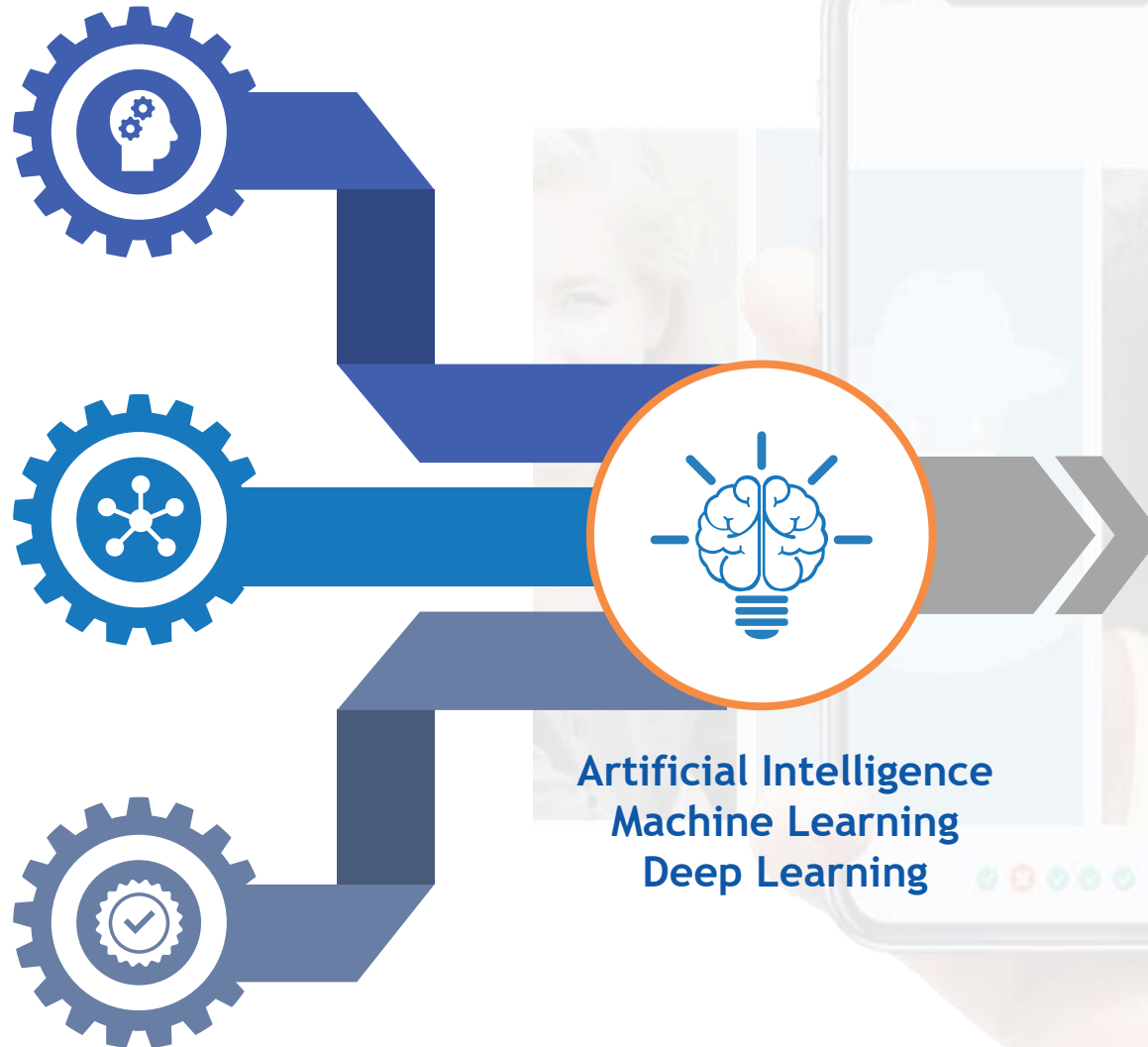
Total 20 Patents with 6 granted in US and 14 other filed across jurisdictions

## Award-winning Ad Fraud Detection Platform

Affle's mFaas: Real-time solution for addressing digital ad fraud, with multiple patents granted and/or filed

## SGD Accreditation

Affle Platform accredited by IMDA Singapore for 3rd consecutive time in December, 2020



Unified **Consumer Tech** Proposition

**2.4bn<sup>1</sup>** Connected Devices Reached

**15+** years of focused R&D and innovation

**Real-time** Predictive Algorithm

Powering **Futuristic** Tech Use Cases

Note: 1. For the 12 months period of Jan 1, 2021 to Dec 31, 2021

\*mTraction is accredited under the Accreditation@SG Digital (SG:D) programme

# Affle2.0 Culture | Tech & Thought Leadership




## Affle Celebrates Milestone Wins



- Enabling Technology Company of the Year for the 3rd consecutive time
- 7 Campaign Award Wins
- 2 Industry Award Wins Enabled

### Affle's Appnext Platform recognized as the top performer across multiple categories in the latest edition of the AppsFlyer Performance Index



**THE LEADING NON-SRN PLATFORM = GLOBAL =**





## Affle's Platforms Wins Significant Recognitions at MMA Smarties Indonesia 2021





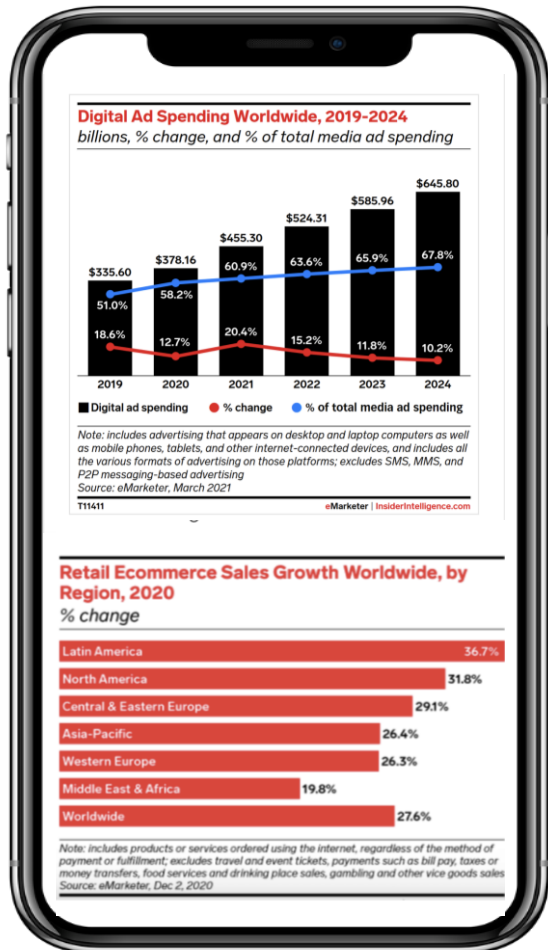
## Affle Platforms win 17 AWARDS at MOBEXX SUMMIT | AWARDS



Technology Company of the Year



# Affle2.0 Strategy | Leveraging upon Strong Macros



- ## 1 Fast Growing Digital Ad Market

Global Digital Ad Market to grow by 9% with Emerging markets like India expected to grow at 25-30% together with other emerging markets like SEA & LATAM also exceeding global trends\*
- ## 2 Growing Penetration of Connected Devices

Only half the world is online with US/UK at ~80% smartphone penetration and Emerging Markets trailing with India 32%, Brazil 51% & Indonesia 59%\*\*
- ## 3 Rapid Digitization of Existing and New Industry Verticals

The digital revolution is happening everywhere with existing industry verticals getting disrupted and many new categories and advertisers emerging regularly (Fintech, Healthtech, Edtech etc.)
- ## 4 Transformation of Commerce

Rapid growth of online commerce globally forecast to contribute 22% of all commerce by 2024 with equally rapid digital disruptions happening in retail commerce

# Affle Consumer Platform Case Studies

- 1. BYJU's** | Driving edtech growth in non metro Indian cities
- 2. Gcash** | Driving fintech adoption in Southeast Asia
- 3. Fetch Rewards** | Powering growth on iOS after IDFA related industry changes

# BYJU'S | Driving edtech growth in non-metro cities of India

## About the Advertiser

Byju's is the leading EdTech company from India

## Objective

Byju's has a significant loyal user base in the Indian metros. They wanted to leverage mobile marketing to increase their footprint in Tier-2 and 3 towns in India and onboard new customers

## Affle Consumer Platform Solutions

Affle's Consumer platforms helped to drive a data led approach to achieve this objective with:

- **AI & ML powered algorithms** to identify and connect with high intent users in Tier-2 & 3 Indian cities
- Targeted **vernacular ads** showcased in popular entertainment and other apps together with other contextual placements
- **Optimization for lower funnel conversion metrics** leading to maximized ROI and business growth coming with new high-quality customers

## Results

- **83%** Increase in Monthly Conversions
- **55%** Registration ratio amongst newly onboarded users
- **3X+** ROI on ad spend

**BYJU'S**

BYJU'S Classes  
with Two Teacher Advantage  
Double the teachers.  
Double the learning.  
Try a Free Class

We received excellent support from the team on how to budget and spread out the campaign among a suitable mix of channels to achieve our UA goals. Affle's MAAS helped scale our registrations at reasonable cost through the platform's ability of precision targeting leading to quality, high value conversions.

**Amit Raman**  
Associate Director -  
Digital Marketing

# GCash | Driving fintech adoption in Southeast Asia

## About the Advertiser

GCash is a leading FinTech player from the Philippines and was recently recognized as the first ever Filipino unicorn

## Objective

Increase new user registrations and drive higher adoption of the GCash app

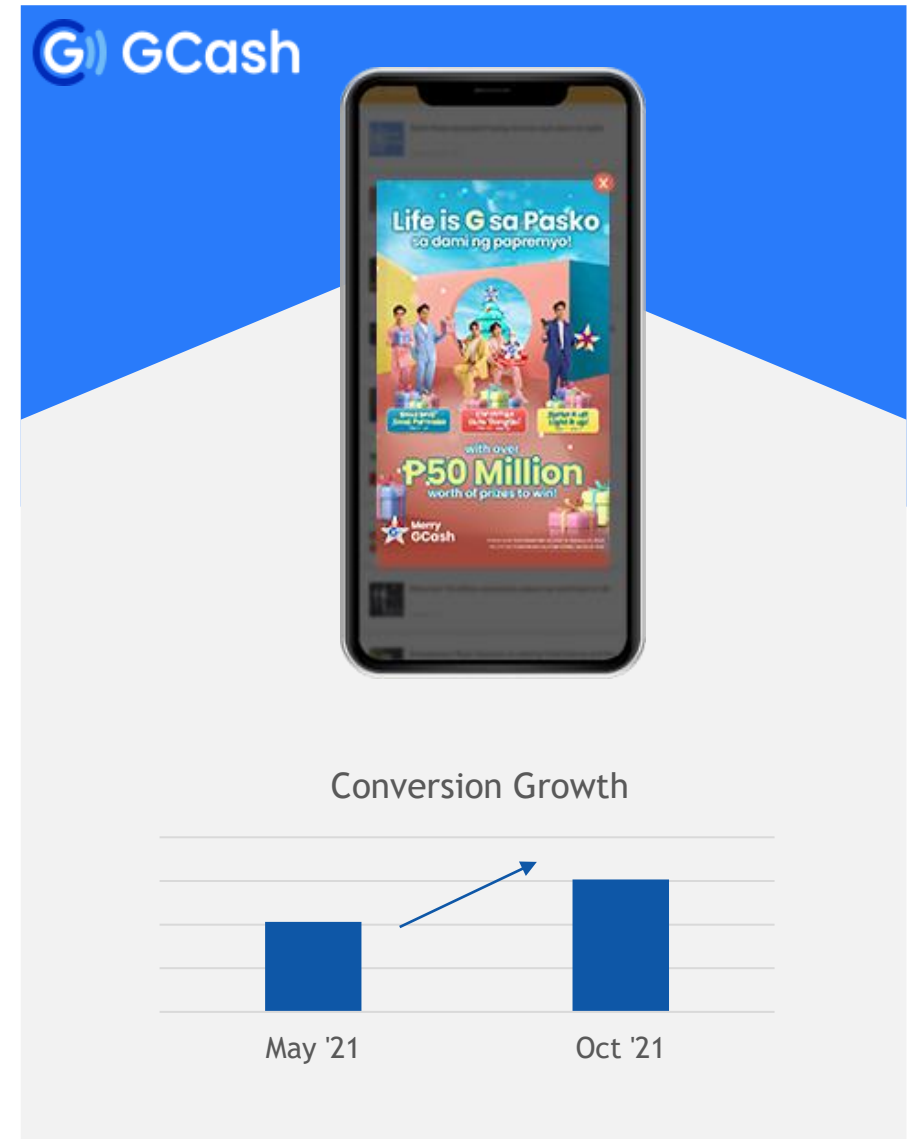
## Affle Consumer Platform Solutions

Affle's Consumer platforms helped Gcash achieve its goals with:

- **AI powered audience segmentations & predictive modelling** to identify relevant users who have higher affinity to fintech /online transactions
- **Multi channel strategy to maximise and optimize for high value conversions** across consumer touchpoints including premium publishers, top apps together with native on device placements
- **Custom Dashboards to track own and competitor growth** and optimize strategies based on granular insights by audience cohort

## Results

- **47% Growth in Monthly Conversions**
- **40%+ Conversion Ratio** maintained showcasing consistent quality
- **Significant & Consistent** growth in User Registrations



NOTE: (1) All case studies are based on First Party data consented and shared by the advertiser/agency together with Affle's platform data.(2) Campaign Period : May '21 to Oct '21 (3) The ads and/or platform modules/screenshots shown here are for illustrative purpose only

# Fetch Rewards | Powering growth on iOS after IDFA related industry changes

## About the advertiser

Fetch Rewards is a leading mobile shopping platform in the US that rewards shoppers for their purchases

## Objective

Acquire high quality new users on Apple iOS through SKAdNetwork (SKAN) campaigns to remain competitive and drive business growth in a post IDFA era

## Affle Consumer Platform Solutions

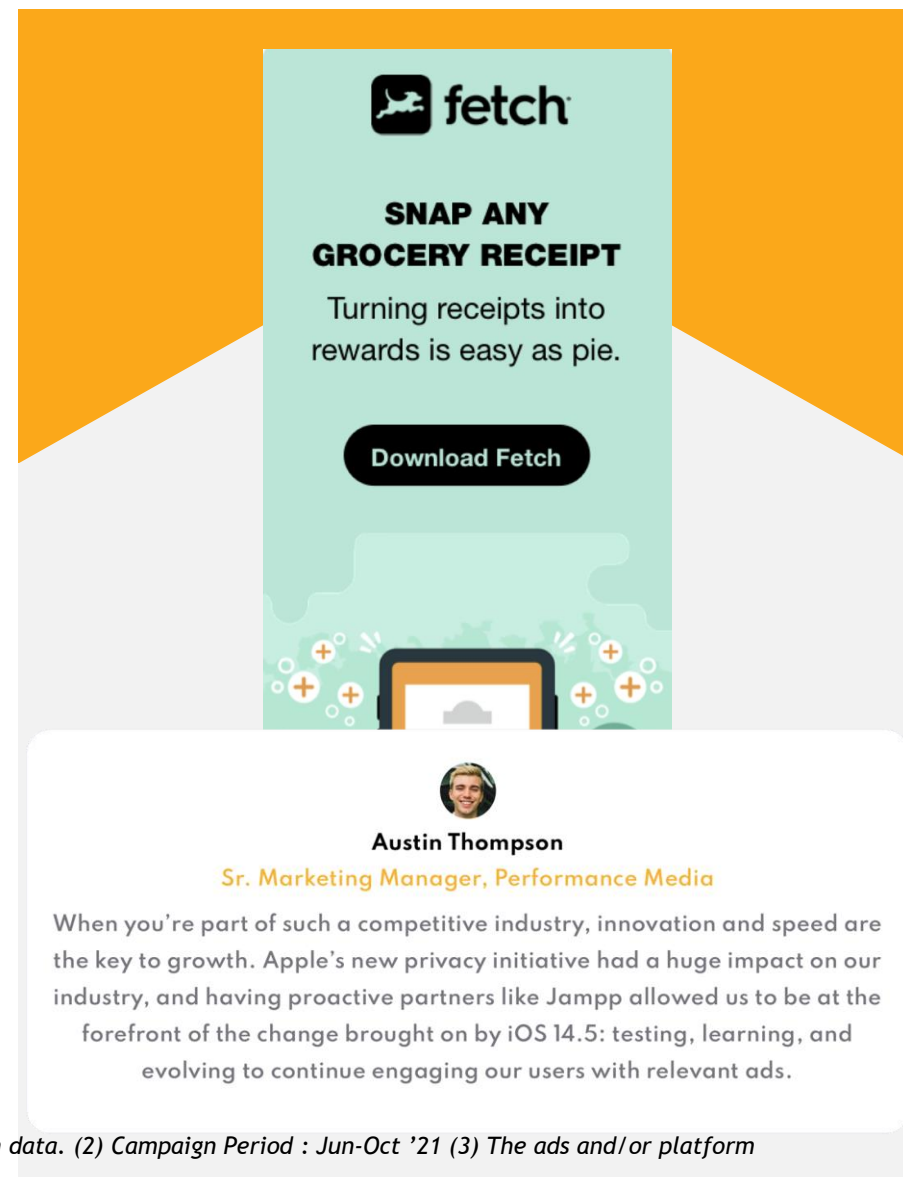
Our platform helped Fetch Rewards to optimize their SKAN campaign to drive higher conversions and efficiency by

- **Launching and testing SKAN** to identify strategies, ad formats, and messages driving the most conversions
- **Leveraging real time reports and dashboards** to make prompt marketing decisions in addition to automated platform led optimizations
- **Maximizing conversion ROI** to further drive incremental performance on the SKAN campaigns

## Results

- **41% higher ROI** in SKAN campaigns (vs Android campaigns)
- **50% higher ROI** in SKAN campaigns (vs iOS IDFA-only campaigns)
- **Significant scale** up and consistent growth on SKAN campaigns

NOTE: (1) All case studies are based on First Party data consented and shared by the advertiser/agency together with Affle's platform data. (2) Campaign Period : Jun-Oct '21 (3) The ads and/or platform modules/screenshots shown here are for illustrative purpose only.




**fetch**

**SNAP ANY GROCERY RECEIPT**

Turning receipts into rewards is easy as pie.

[Download Fetch](#)

  
**Austin Thompson**  
 Sr. Marketing Manager, Performance Media

When you're part of such a competitive industry, innovation and speed are the key to growth. Apple's new privacy initiative had a huge impact on our industry, and having proactive partners like Jampp allowed us to be at the forefront of the change brought on by iOS 14.5: testing, learning, and evolving to continue engaging our users with relevant ads.

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