



Affle (India) Limited

Q1 FY2023 Earnings Presentation

For the period ended June 30, 2022

Consumer Intelligence Driven Global Technology Company



16+ 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 FY2023 vs. Q1 FY2022

 **Up 127.9%**

Y-o-Y

EBITDA Growth

 **Up 95.9%**

Y-o-Y

*PAT Growth

**Normalized PAT (Refer slide 5 for the detailed working)*

 **Up 93.5%**

Y-o-Y

Key Ratios Q1 FY2023

****LTM ROE: 26.2%**²

****LTM ROCE: 19.8%**²

Operating Cash Flow / PAT: 99.9%

Q1 FY2023 vs. Q4 FY2022

 **Up 10.3%**

Q-o-Q

 **Up 17.1%**

Q-o-Q

 **Up 4.8%**

Q-o-Q

Note: 1) Revenue from contract with customers; 2) Adjusted to normalize the unutilized portion of QIP Proceeds as of June 30, 2022

**Last Twelve Months (LTM) = FY2022 + Q1 FY2023 - Q1 FY2022

Consolidated Financial Summary

In Rs. million	Q1 FY2023	Q1 FY2022	Y-o-Y Growth	Q4 FY2022	Q-o-Q Growth
Revenue from Contracts with Customers	3,475	1,525	127.9%	3,151	10.3%
Inventory and Data Costs	2,199	884	148.7%	1,996	10.2%
Employee Benefits Expenses	431	188	129.8%	424	1.6%
Other Expenses	158	102	54.5%	147	7.8%
Add: Liabilities written back ¹ (other operating income)	0.1	-		2.9	
EBITDA	687	351	95.9%	587	17.1%
<i>% EBITDA Margin</i>	<i>19.8%</i>	<i>23.0%</i>		<i>18.6%</i>	
Depreciation and Amortisation Expenses	93	52		93	
Finance Costs	22	14		16	
Other Income (Excl. Liabilities written back, if any)	75	127	(41.1%)	290	(74.2%)
Profit Before Tax and Share of (loss) of an associate	647	412	57.1%	767	(15.7%)
Share of (loss) of an associate	(7.1)	-		(4.9)	
Profit Before Tax	640	412	55.4%	763	(16.1%)
Total Tax	90	53		76	
(Subtract): Non-controlling Interest	4.6	1.7		2.2	
Profit After Tax (net of non-controlling interest)²	545	357	52.6%	685	(20.4%)
<i>% PAT Margin</i>	<i>15.4%</i>	<i>21.6%</i>		<i>19.9%</i>	
Normalized PAT (net of non-controlling interest)	552	285	93.5%	527	4.8%
<i>% Normalized PAT Margin</i>	<i>15.6%</i>	<i>18.2%</i>		<i>16.1%</i>	

Last year Q1 FY2022 and last quarter Q4 FY2022 had higher Other income than the current quarter primarily on account of Gain on fair valuation of financial instruments (non-operating income)

Note: 1) For clarity, liabilities 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)

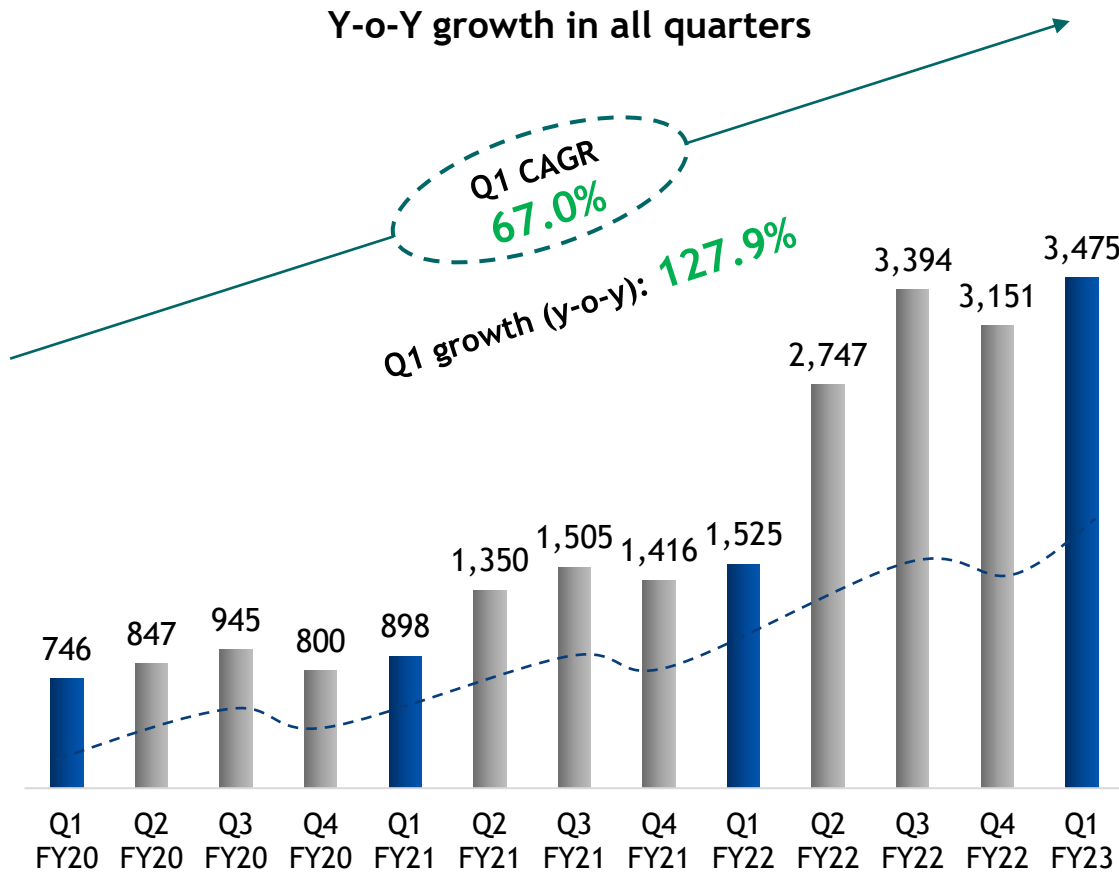
Normalized PAT Working

Calculation of Normalized 'Profit After Tax'					
In Rs. million	Q1 FY2023	Q1 FY2022	Y-o-Y Growth	Q4 FY2022	Q-o-Q Growth
A. Profit After Tax (Net of non-controlling interest)	545	357	52.6%	685	(20.4%)
1. Other Income (Excl. liabilities written back) comprises:					
- (1.a.) 1.a. Gain on fair valuation of financial instruments	-	83		171	
+ (2.) 1.b. Other income in ordinary course of business	75	44		119	
- (3.) 2. Tax outgo on gain on financial instruments	-	11		9	
3. Share of (loss) of an associate	(7.1)	-		(4.9)	
B. Normalized PAT (net of non-controlling interest)	552	285	93.5%	527	4.8%
<i>% Normalized PAT Margin</i>	<i>15.6%</i>	<i>18.2%</i>		<i>16.1%</i>	

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

Quarterly Performance Trend (Consolidated)

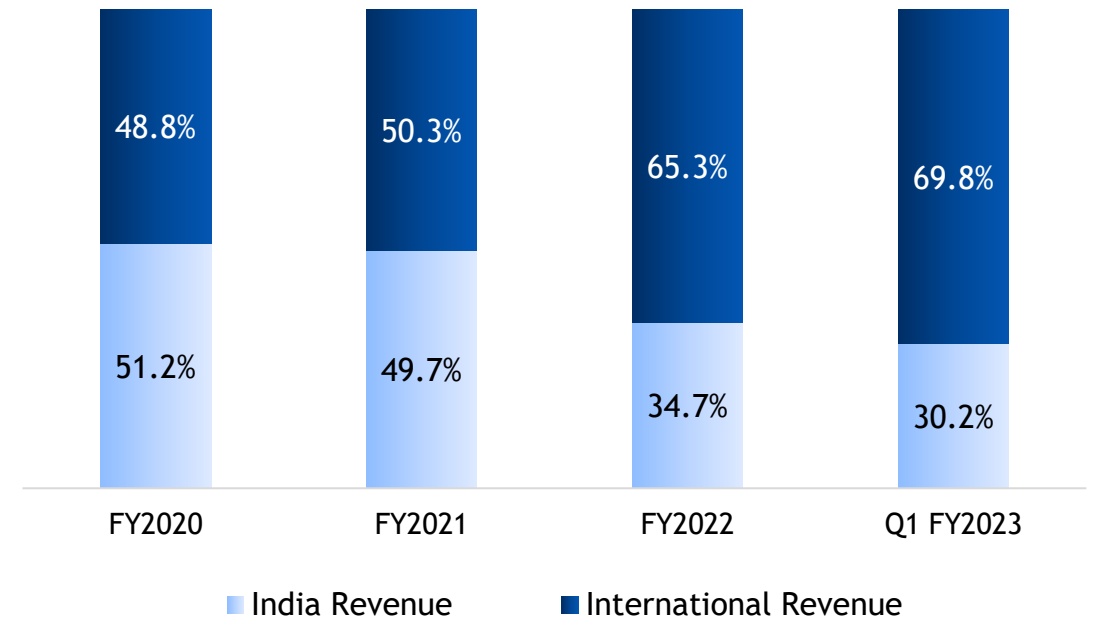
Revenue from Operations (Rs. mn)



Note: Q3 is the highest quarter during the financial year on account of business seasonality

Revenue Contribution (India vs. International)¹

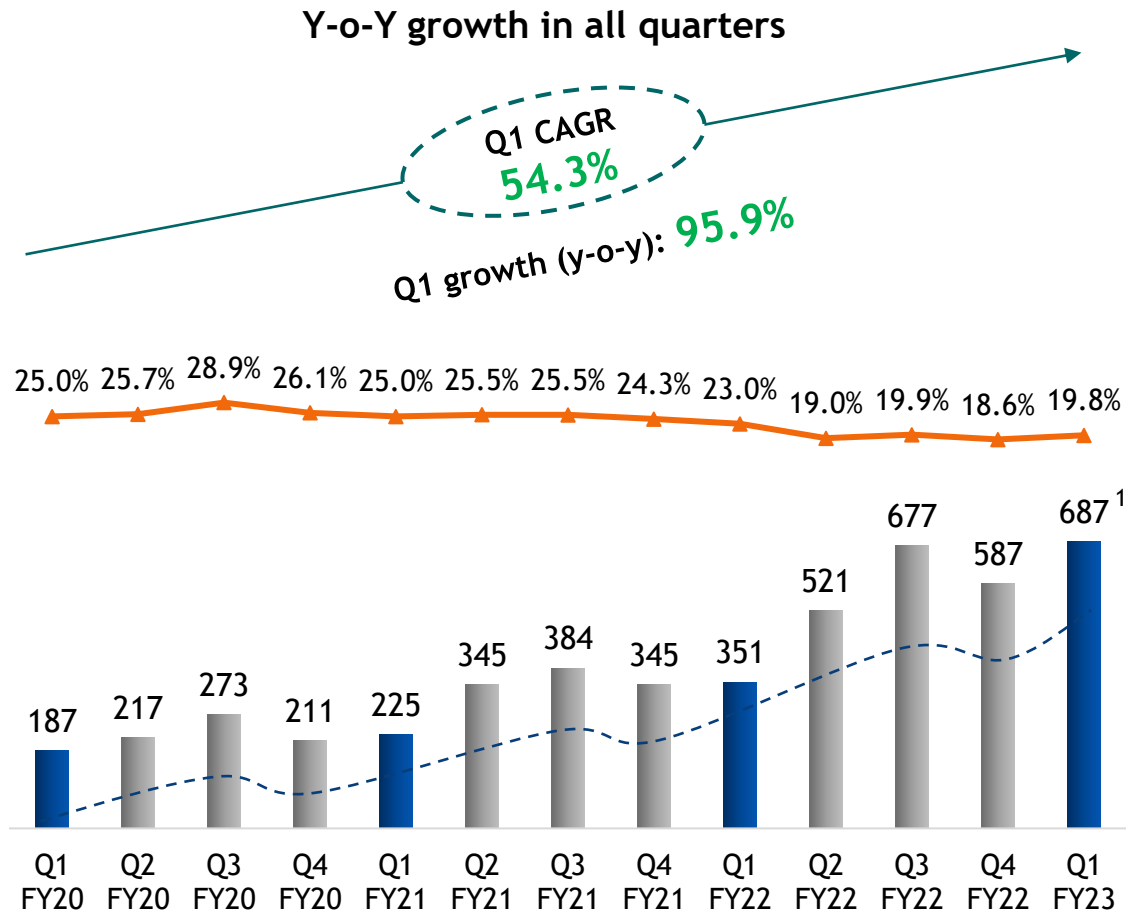
Contribution trend shift towards International from Q2 FY2022



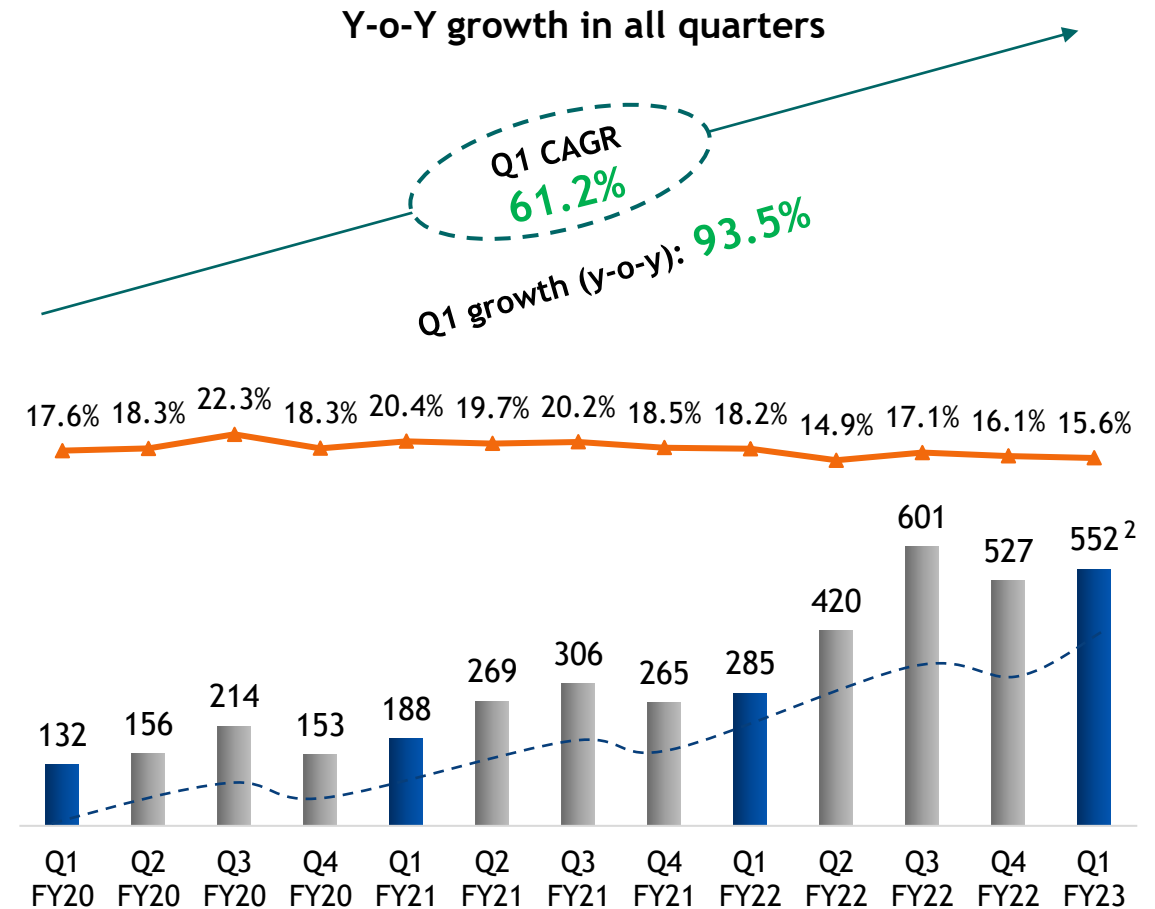
1) Region-wise contribution and is different from the billing entity-wise segmental break-up disclosed in financial results

Quarterly Performance Trend (Consolidated)

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



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

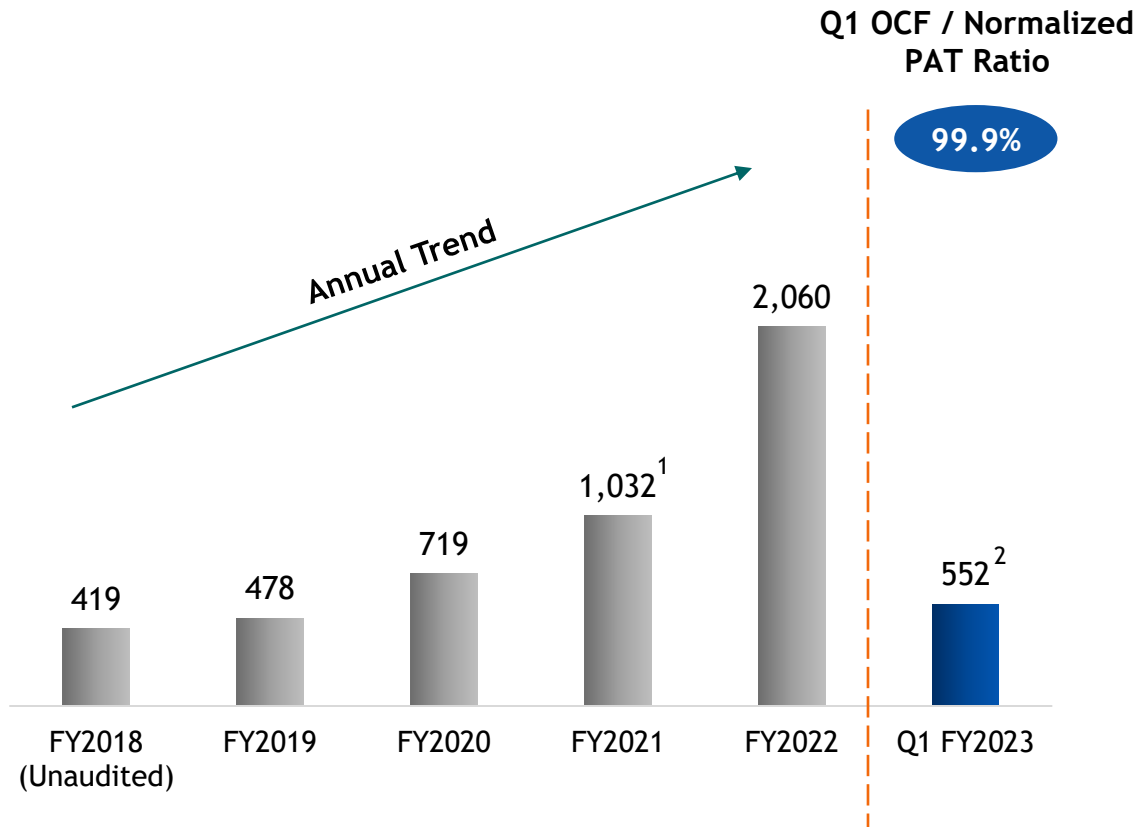


Note: 1) Liabilities written back which are part of 'Other Income' in the reported financials, are operating income in nature and adjusted in EBITDA

2) Normalized PAT (Refer slide 4 and 5 for the detailed working)

Cashflows Trend and Return Ratios (Consolidated)

Operating Cash Flows (Rs. mn)



Return Ratios (As of June 30, 2022)

(Adjusted to normalize the unutilized portion of QIP Proceeds) - On an LTM³ basis

*ROE (%) (Return on Equity)	26.2%
*ROCE (%) (Return on Capital Employed)	19.8%
*ROA (%) (Return on Assets)	14.9%
Gross Debt/Equity (x)	0.18x

Note: 1) FY2021 OCF was adjusted for Deferred Tax Liability on account of Goodwill of Rs. 14.18mn (one-time expense); 2) Q1 FY2023 OCF was adjusted for Share of (loss) of an associate; 3) Last Twelve Months (LTM) = FY2022 + Q1 FY2023 - Q1 FY2022

*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)

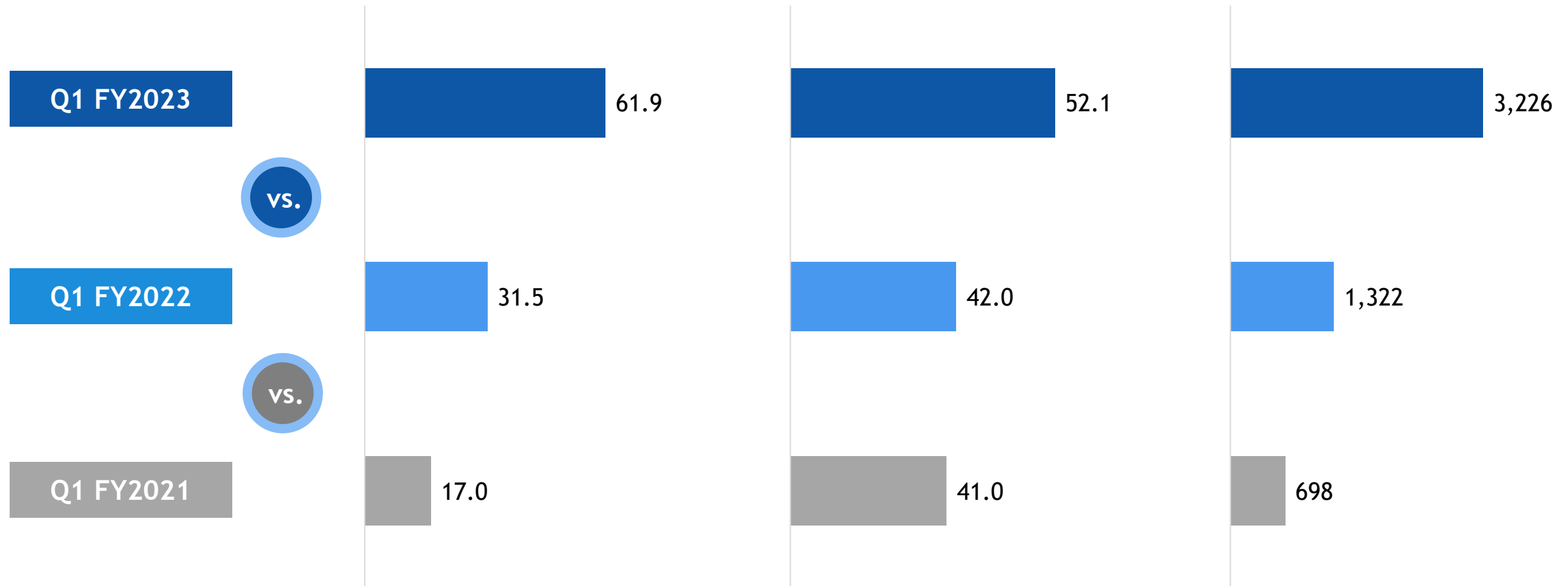
Converted Users (mn)



Average CPCU (Rs.)



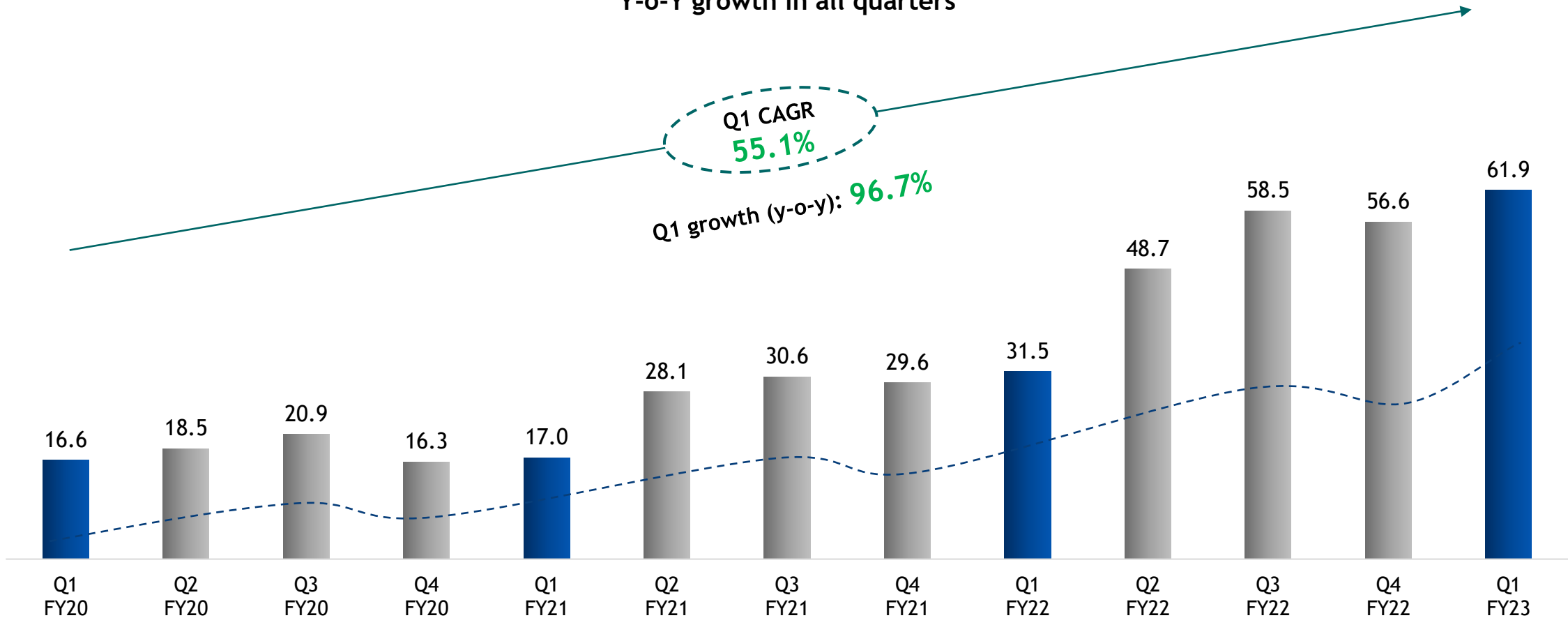
CPCU Revenue (Rs. mn)



CPCU Business | Conversions Trend

Converted Users (mn)

Y-o-Y growth in all quarters

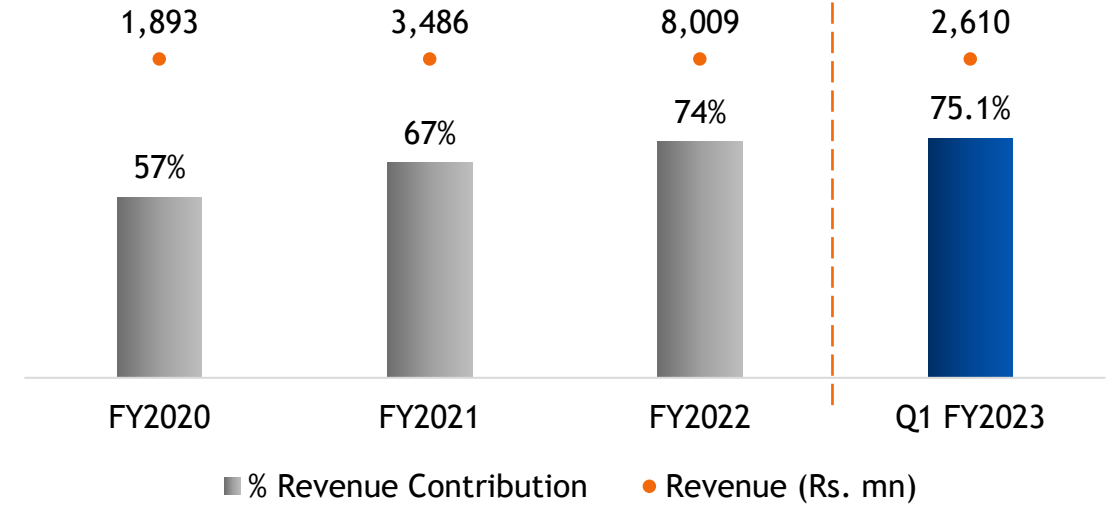


Verticalized Focus on High Growth Categories

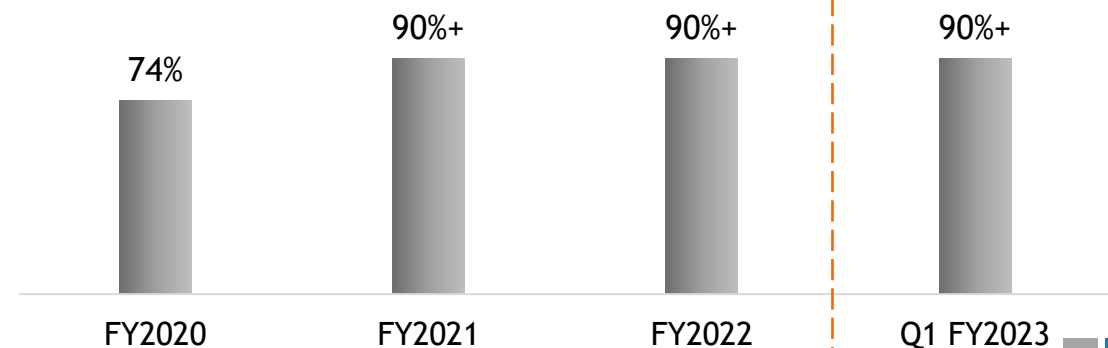
Fast Growing & Resilient Top Verticals across E, F, G, H Categories



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



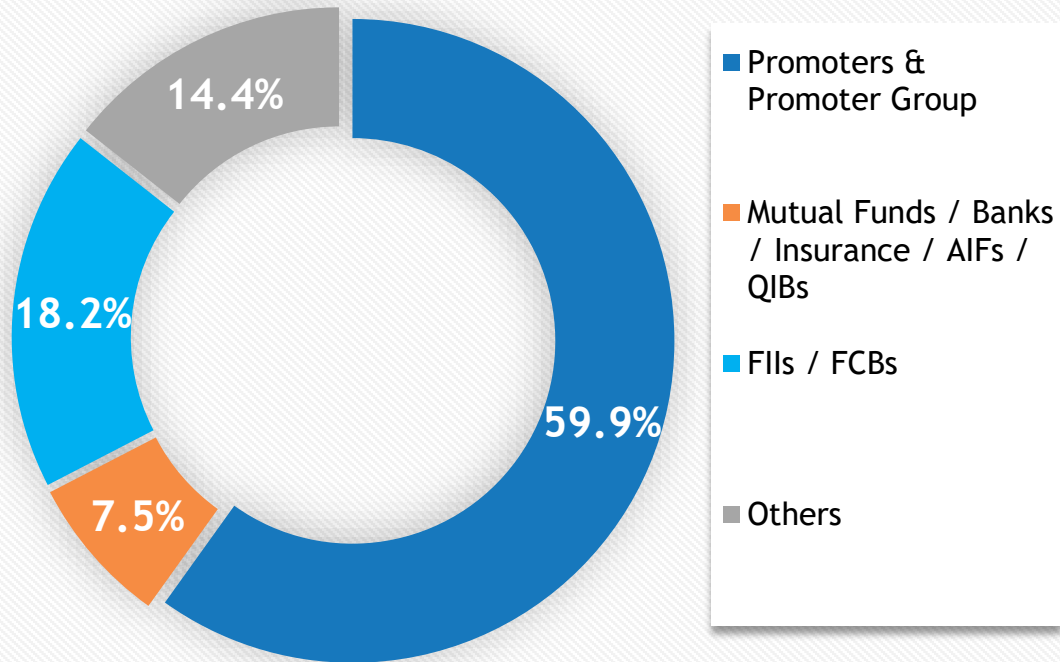
Revenue Contribution from E, F, G, H Categories



Affle | Investors Information

Shareholding Pattern (As on June 30, 2022)

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
Mirae Research	Anand Rathi	

HNI / Retail Desk

Sharekhan	Axis Securities	ICICI Direct
-----------	-----------------	--------------

*In order of coverage initiated

Business Overview & Case Studies

- Affle I 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 (**99.3%** of Q1 FY23 revenue)¹
- 2) **Enterprise Platform:** Enabling offline businesses to go online through App development, O2O² commerce & data analytics (**0.7%** of Q1 FY23 revenue)¹



GLOBAL REACH

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

30.2%
India revenue^{1,3}
Q1 FY2023

69.8%
International revenue^{1,3}
Q1 FY2023



END TO END MOBILE ADVERTISING PLATFORM

- In-house data management platform with over **2.5 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

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



ANNUAL FINANCIAL SUMMARY⁵

(Consolidated)	FY22 (Rs. mn)	FY21 (Rs. mn)	FY20 (Rs. mn)
Revenue	10,817	5,168	3,338
EBITDA	2,135	1,303	888
PAT (Normalized)	1,834	1,031	655

1) For 3 months ended June 30, 2022 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, 2021 to June 30, 2022; 5) Refer our respective periods Earnings Presentation for detailed financial working and adjustments

Affle | Cost Per Converted User (CPCU) Business

92.8% of Revenue from Operations contributed by CPCU model in Q1 FY2023 and 7.2% from Non-CPCU



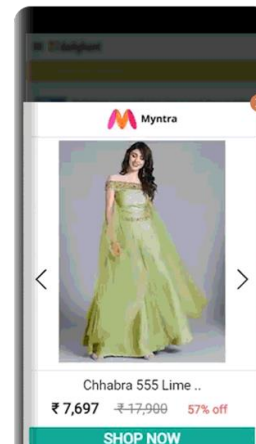
New user conversion
(online)



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



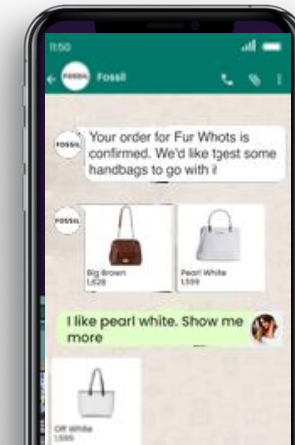
Existing user repeat
conversion (online)



Use Case - Target interested user to complete the transaction



New/existing user
conversion (offline)



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

Affle2.0 Culture | Tech Innovations & Accreditation

Global Tech IP Portfolio

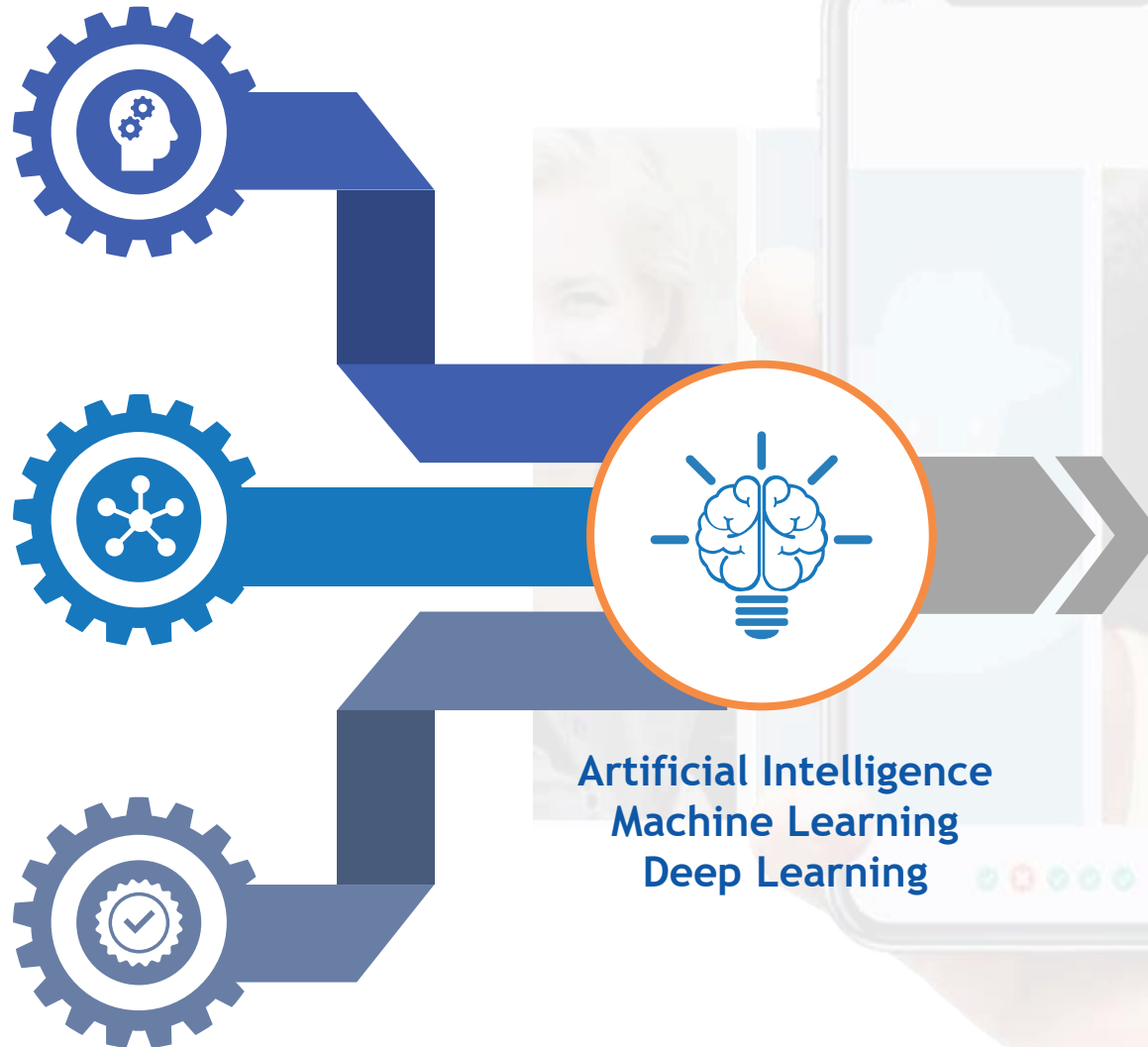
Total 20 Patents with 6 granted in US and 14 other filed across jurisdictions

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

2.5bn¹ Connected Devices Reached

16+ years of focused R&D and innovation

Real-time Predictive Algorithm

Powering **Futuristic** Tech Use Cases

Note: 1. For the 12 months period of July 1, 2021 to June 30, 2022

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

Affle2.0 Culture | Tech & Thought Leadership



Affle strengthens its Board with four additional appointments to support its global growth momentum

Lay See Tan **Vipul Kedia** **Noelia Amoedo** **Elad Natanson**

affle
DATA PROTECTION TRUSTMARK CERTIFIED

INFOCOMM MEDIA DEVELOPMENT AUTHORITY

JUN 2022 - JUN 2025

affle Celebrates

Turning **17**

Being Certified as a Great Place To Work for the **3rd** Consecutive Year

appnext Jampp MAAS DMP MEDIASMART mTraction Enterprise RevX ZIZURY

e4m Real Time Programmatic Advertising Awards 2022

affle Wins **11** Awards at **e4m** Real Time Programmatic Advertising Awards 2022

discovery+ GAMES24 groupM KFC MAAS MEDIASMART MXTakTak BLINDIGIT MERKLE

IAMAI Affle's Platforms Win Significant Recognitions at the **12th INDIA DIGITAL AWARDS**

MAAS RevX

THANK YOU PARTNERS

GAMES24 groupM MXTakTak SWIGGY

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

Technology Company of the Year

MAAS ZIZURY RevX MEDIASMART appnext

THANK YOU PARTNERS

discovery+ GAMES24 groupM FOSSIL MXTakTak SWIGGY zivante

affle Affle's Platforms Wins Big - 15 Awards at The Maddles 2021

MEDIASMART RevX MAAS ZIZURY

Discovery+ GAMES24 groupM SWIGGY MERKLE

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

appnext AppsFlyer

THE LEADING NON-SRN PLATFORM GLOBAL

MMA SMARTIES INDIA Affle Celebrates Milestone Wins

Enabling Technology Company of the Year for the 3rd consecutive time

7 Campaign Award Wins

2 Industry Award Wins Enabled

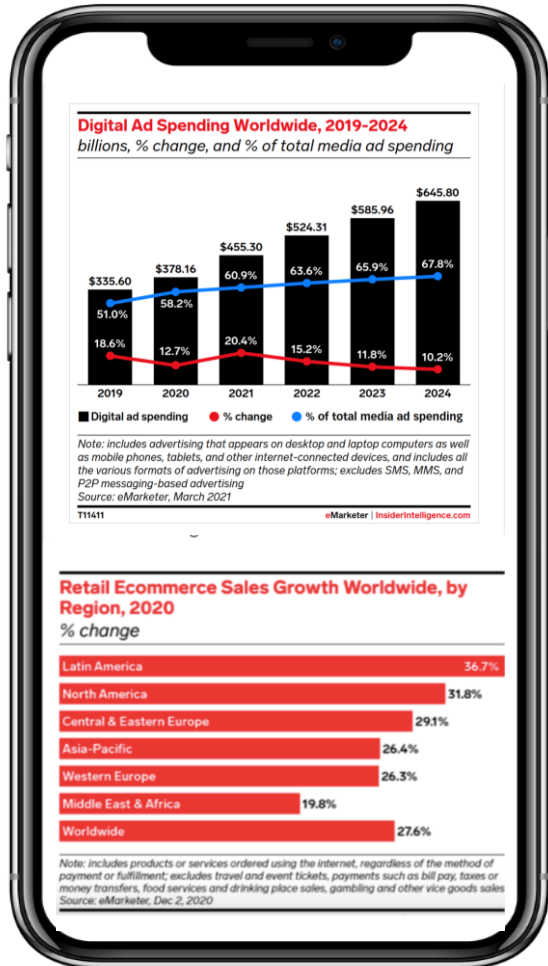
MMA SMARTIES Indonesia 2021

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

RevX appnext

tokopedia ruang guru

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

Source: * eMarketer; **GSMA

Affle Consumer Platform Case Studies

- 1. Spotify** | Addressing the growing appetite for online entertainment in India
- 2. Lotus Herbals** | Driving FMCG business growth in India
- 3. Tunaiku** | Giving wings to millennial dreams in Indonesia

Spotify | Addressing the growing appetite for online entertainment in India

About the Customer

Spotify is one of the leading global music and podcast app disrupting the audio entertainment category

Objective

Being late entrant to the already crowded audio OTT landscape in India, Spotify wanted to position itself as premium differentiated offering to gain top-end of the market

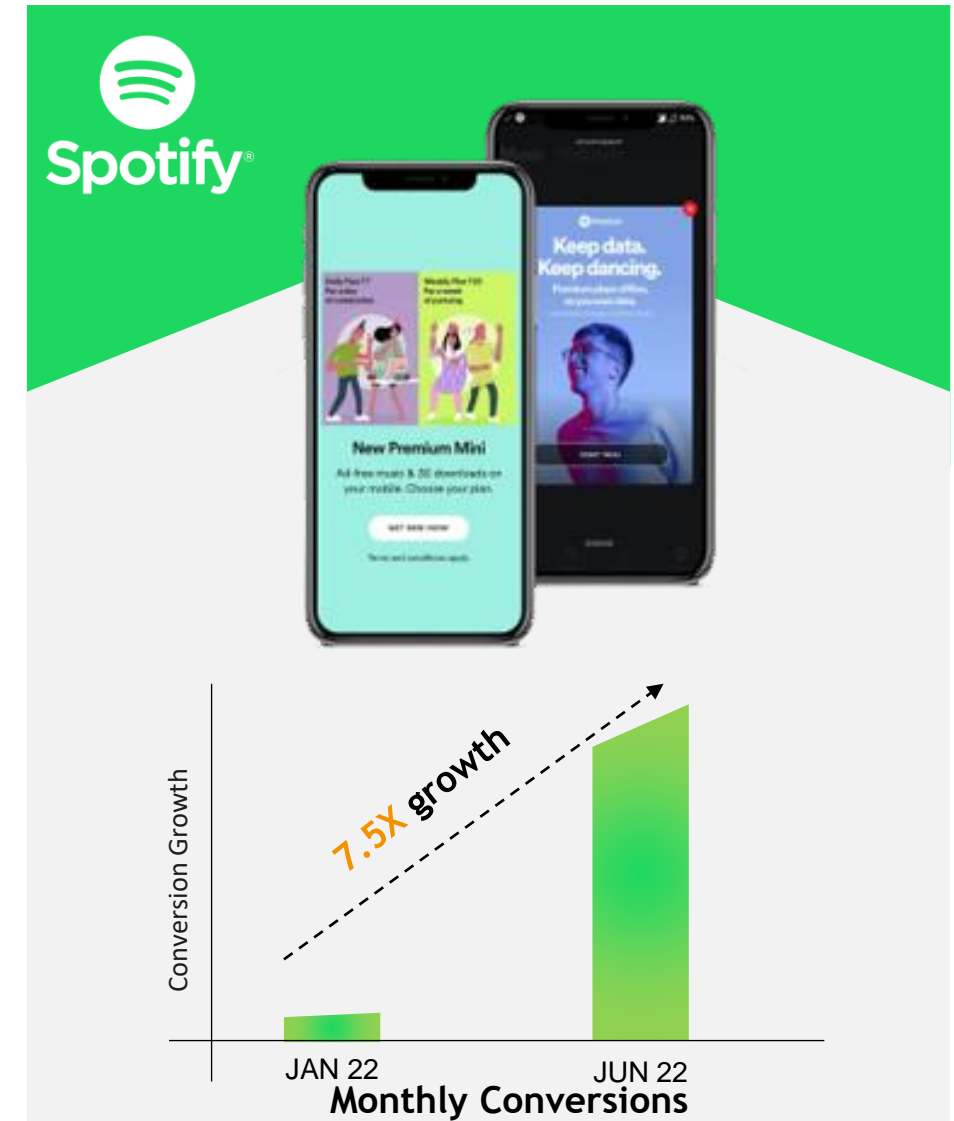
Affle Consumer Platform Solutions

Affle’s Consumer platforms helped deliver a diversified targeting & channel strategy to help acquire premium high value users by:

- Algorithms powered by AI & ML created audience segments based on inclination to consume audio content beyond music to podcasts, storytelling, audiobooks, etc.
- Once these cohorts of users were identified targeted ads were delivered across mobile channels optimizing for sign-ups & retention

Results

- 7.5X growth in monthly conversions from Jan’22 to Jun’22
- Conversion Rate > 60%
- Consistent quarterly growth of 1.7X



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 : January - June, 2022 (6) The ads and/or platform modules/screenshots shown here are for illustrative purpose only

Lotus Herbals | Driving FMCG business growth in India

About the Customer

Lotus Herbals is a leading brand of herbal and natural cosmetic products with 25+ years of market presence in India. It offers a robust range of over 500 Skincare, Haircare, Suncare, and Make-up products for the retail and professional markets

Objective

Lotus Herbals wanted to reach out to 18-25 years women in select Indian markets to drive awareness and business growth for its sun-screen product range

Affle Consumer Platform Solutions

Affle's Consumer platforms helped Lotus Herbals to implement a unique omnichannel marketing strategy by:

- Driving effective **Omnichannel Targeting** by layering online attributes of consumer affinity and layering it with offline location intelligence
- Maximizing engagement by having high impact ads on **Connected TV (CTV)** with follow up actionable communication on mobile through our Household Sync technology
- **Deep Personalization** leveraging location intelligence to showcase personalized product recommendations based on temperature and humidity

Results

- **Effectively reached 7Mn+ Indian women** with this targeted omnichannel strategy
- Over **370K new users** onboarded
- **166% Growth in Online Sales**

High Impact CTV with Household Sync on mobile

Personalized Product Recommendations

Omnichannel Connected Consumer Journey

Online Offline

Nimit Singhal
AGM Marketing, Lotus Herbals

With over 25+ years of market presence, we wanted to promote Safe Sun, our range of sunscreens, and drive top-of-mind brand awareness and engagement among evolved 18-25 females. We leveraged our partnership with mediasmart to explore its advanced Connected TV Household Sync technology along with Omnichannel Audience Targeting using online as well as offline audience intelligence to reach our target audience. With the innovative weather-based targeting and multi-screen storytelling we were able to drive brand awareness and engagement, resulting in great impact.

Tunaiku | Giving wings to millennial dreams in Indonesia

About the Advertiser

Tunaiku, is one of the biggest and earliest digital consumer lending/banking platform backed by Bank Amar (part of the Tolaram Group), a licensed bank in Indonesia. Standing at the forefront of financial inclusion agenda, Tunaiku aims to bring smile on 200 million faces by 2025

Objective

Acquire quality users among Indonesia's Millennials and GenZ looking for short term, flexible loans especially in a crowded lending space

Affle Consumer Platform Solutions

Affle's Consumer platforms helped target relevant users, with constant channel optimization to discover the best suited social channels, driving scale & quality:

- Leveraged Affle's mDMP platform to target users based on their demography and online behavior
- AI powered channel optimization helped discover various effective social channels where vernacular, bite sized, infotainment videos helped connect and convert newer users

Results

- 1.2X Increase in quarterly New Users onboarded
- Consistently maintained a high Conversion Ratio > 40%
- Vernacular & Video strategy helped connect and convert more users

“The MAAS team's expertise with identifying the right channels and optimizing campaigns to scale quality while keeping the ROI figures high, helped Tunaiku garner a considerable adoption among Indonesia's tech-savvy generations.”

Dwiyoga Kartiko Utomo
Head - Digital Growth Marketing

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 : June(21) - June 2022 (12) The ads and/or platform modules/screenshots shown here are for illustrative purpose only

Disclaimer

This presentation and the accompanying slides (the “Presentation”) have been prepared by Affle (India) Limited (“Affle” or the “Company”) solely for information purposes and does not constitute an offer to sell, or recommendation or solicitation of an offer to subscribe for, or purchase any securities, and nothing contained herein shall form the basis of any contract or commitment whatsoever. This Presentation is strictly confidential and may not be taken away, copied, published, distributed or transmitted or reproduced or redistributed or passed on directly or indirectly to any other person, whether within or outside your organization or firm, or published in whole or in part, for any purpose by recipients directly or indirectly to any other person. This Presentation is not intended to be a prospectus (as defined under the Companies Act, 2013, as amended) or an offer document under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.

The information contained in this Presentation should be considered in the context of the circumstances prevailing at the time, and **to be read in conjunction to our financial results, uploaded on the Stock Exchanges where the Company is listed.** This Presentation will not be updated to reflect material developments including economic, regulatory, market and other developments, which may occur after the date of the Presentation. You acknowledge and agree that the Company and/or its affiliated companies and/or their respective employees and/or agents have no responsibility or liability (express or implied) whatsoever and howsoever arising (including, without limitation for any claim, proceedings, action, suits, losses, expenses, damages or costs) which may be brought against or suffered by any person as a result of acting in reliance upon the whole or any part of the contents of this Presentation and neither the Company, its affiliated companies nor their respective employees or agents accepts any liability for any error, omission or misstatement, negligent or otherwise, in this Presentation and any liability in respect of the Presentation or any inaccuracy therein or omission therefrom which might otherwise arise is hereby expressly disclaimed.

Certain statements contained in this Presentation are statements of the Company’s beliefs, plans and expectations about the future and other forward looking statements that are based on management’s current expectations or beliefs as well as a number of assumptions about the Company’s operations and factors beyond the Company’s control or third party sources and involve known and unknown risks and uncertainties that could cause actual results to differ materially from those contemplated by the relevant forward looking statements. Forward looking statements contained in this Presentation regarding business trends or activities should not be taken as a representation that such trends or activities will continue in the future and no undue reliance should be placed on them.

The information contained in this Presentation is not to be taken as any recommendation made by the Company or any other person to enter into any agreement with regard to any investment. You will be solely responsible for your own assessment of the market and the market position of the Company and you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the business of the Company.

By attending this presentation and/or accepting a copy of this document, you agree to be bound by the foregoing limitations and conditions and, in particular, will be taken to have represented, warranted and undertaken that: (i) you have read and agree to comply with the contents of this notice including, without limitation, the obligation to keep this document and its contents confidential; (ii) you will not at any time have any discussion, correspondence or contact concerning the information in this document with any of the directors or employees of the Company or its subsidiaries nor with any of their customers or suppliers, or any governmental or regulatory body without the prior written consent of the Company; (iii) you agree not to remove or copy this document, or any materials provided in connection herewith; and (iv) you are an eligible investor attending this presentation.

Contact Us



Website

www.affle.com



Investor Relations Contact

investor.relations@affle.com