



# Earnings update

## **Q4 21-22 & FY 21-22**

Investor Presentation

May 18, 2022

# Safe Harbor

Certain statements mentioned in this presentation concerning our future growth prospects are forward looking statements (the “Forward Statements”) and are based on reasonable expectations of the management, which involves a number of risks, and uncertainties that could cause actual results to differ materially from those in such Forward Statements. The risks and uncertainties relating to these Forward Statements include, but are not limited to, risks and uncertainties regarding fluctuations in our earnings, fluctuations in foreign exchange rates, revenue and profits, our ability to generate and manage growth, competition in CPaaS globally, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price and fixed time frame contracts, industry segment concentration, our ability to manage our international operations, our revenues being highly dependent on clients in the United States of America, reduced demand for technology in our key focus areas, disruptions in telecommunication networks or system failures, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, withdrawal of fiscal governmental incentives, political instability, adverse impact of global pandemics (including COVID-19 impact), war, legal restrictions on raising capital or acquiring companies, unauthorized use of our intellectual property(ies) and general economic conditions affecting our businesses and industry. We may, from time to time, make additional written and oral Forward Statements . We do not undertake to update any Forward Statements that may be made from time to time by us or on our behalf, unless required under the law.

# Route Mobile - Industry Leading Global CPaaS Platform

RML offers a scalable and flexible **Omnichannel CPaaS** platform to enterprises across industry verticals, globally

**280+** direct MNO connects, overall access to **900+** MNOs  
**(Super Network)**

Global footprint across **20+ locations**,  
**2,500+** active billable clients; **180+** new customer onboarded in Q4 FY 21-22

Infrastructure comprising **16 data centers** and **7 SMSCs** globally

**ESG leader**, rated **“A”** by a reputed ESG rating agency

Recognized as “Established Leader” – **Juniper**, “Top Tier 1 A2P SMS vendor” – **Rocco**, “Representative Vendor” - **Gartner** for CPaaS



**Strong industry tailwinds:** Global CPaaS market will grow to **\$34.2bn** in 2026, from \$8.7bn in 2021 <sup>(1)</sup>

**₹20,020mn** FY21-22 Revenue  
**33%** Revenue CAGR FY 2019 – FY 2022

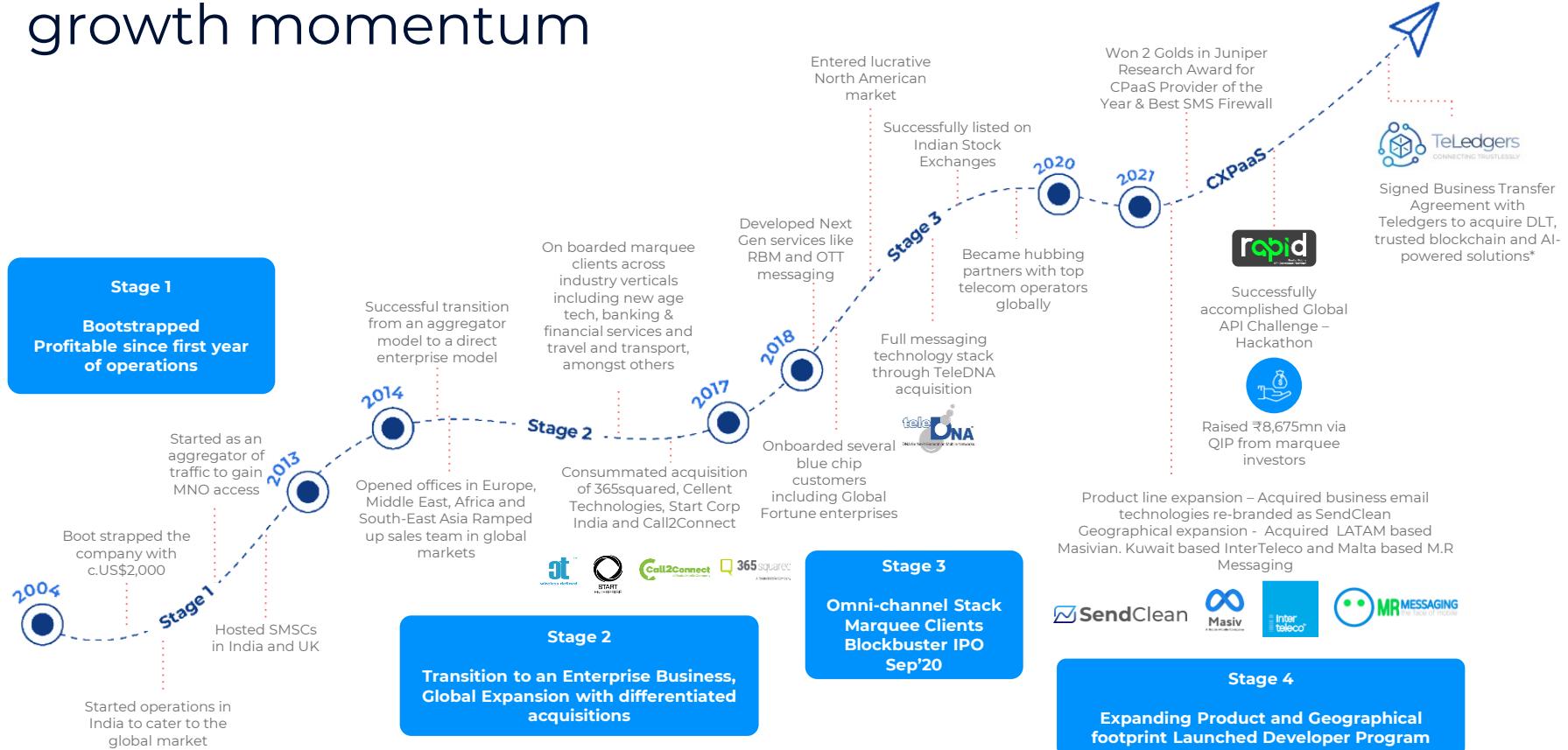
**₹2,576mn** FY21-22 EBITDA  
**44%** EBITDA CAGR FY 2019 – FY 2022

**134%** Net revenue retention in FY 21-22

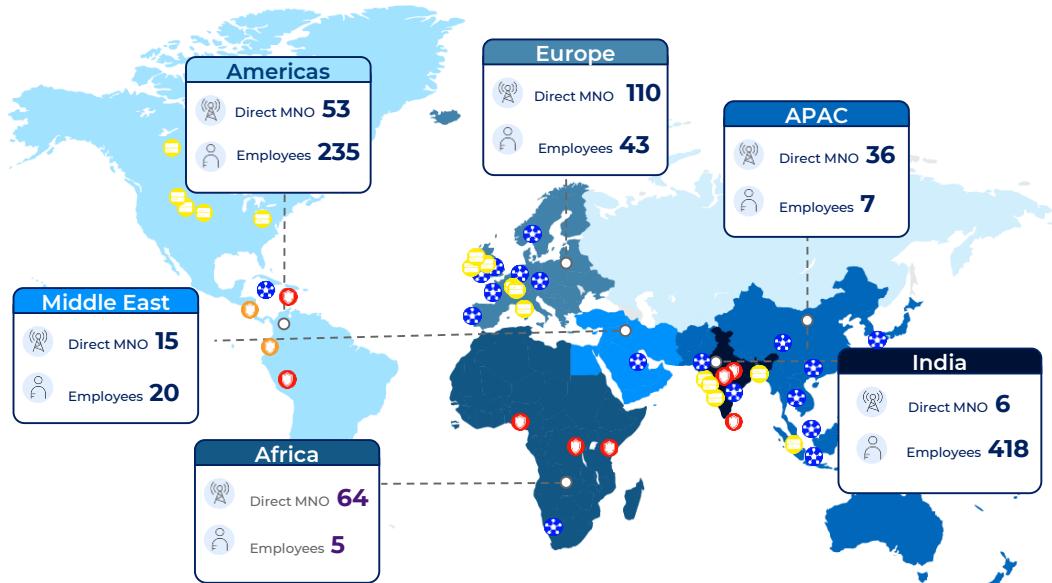
**₹10,262mn** Net cash and cash eqv. as on Mar 31, 2022

**700+** employees spread across 5 continents  
**c. 20.6%** attrition rate in FY 21-22

# Systematic roadmap to create sustained growth momentum



# Global Diaspora - Footprint & Super Network



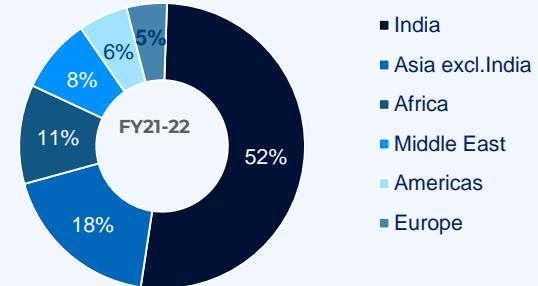
- 🛡️ 8 Firewall deployments; 3 upcoming (contract signed)\*
- 🌐 16 virtualized Data Centers
- 🌐 18 Hubs

- 👤 700+ Global Employees base
- 📡 280+ Super Network  
Widespread global distribution & reach

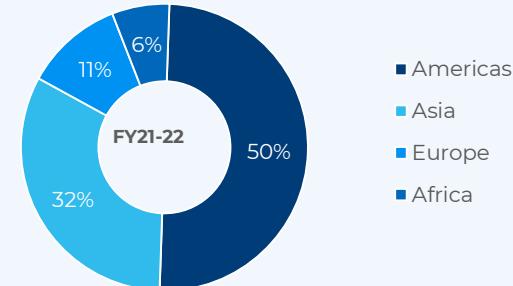
Data as on March 31, 2022

\* One of the firewall contracts in India has expired on April 30, 2022 | (1) Top 50 countries contribute c.91% of FY21-22 revenue from operation | (2) Based on Top 150 customers - contributes c. 93% of FY21-22 revenue from operation

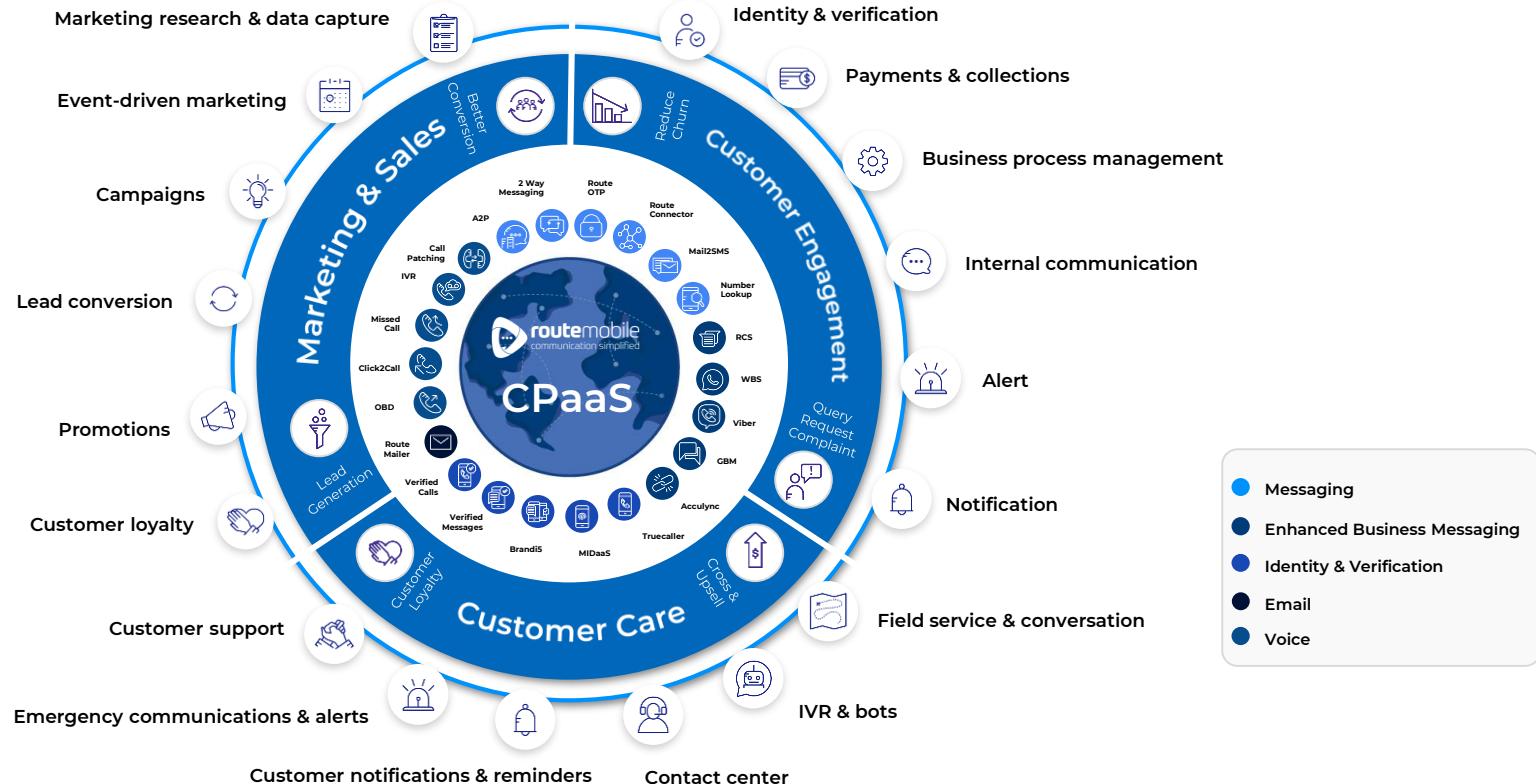
Revenue for Top 50 countries by termination <sup>(1)</sup>



Revenue by customer HQ (continent) <sup>(2)</sup>



# Systematic Roadmap to Create Sustained Growth Momentum





# Key Developments

# Key Developments in Q4 FY21-22



Route Mobile (UK) Limited listed as one of the Top 3 Fastest - growing Indian companies in the United Kingdom

[View More](#)

Completed the acquisition of MRM during the quarter gone by. MRM's acquisition will help expand Route Mobile's reach to new geographies primarily Europe, South Africa and Japan

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Recently signed Business Transfer Agreement with Telegers to acquire DLT, trusted blockchain and AI-powered solutions. The closure of this transaction is subject to completion of condition precedents including the outcome of an ongoing arbitration proceeding

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Juniper - Route Mobile Limited Wins Gold At The 2022 Juniper Research Future Digital Awards For Telco Innovation In Rich Communication Services (RCS)

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Route Mobile Limited sets up a dedicated Strategic Business Unit (SBU) for short codes/10 DLC/toll free messaging and intends to scale it globally for P2A messaging

[View More](#)

Rajdipkumar Gupta, Managing Director & Group CEO, Ranked in the Top-25 List of ROCCO 100 2022

[View More](#)

# IOCL improved customer communications & enhanced customer loyalty with SMS & Voice API Solution

## Solution:

- To enhance customer communications with regular notifications, updates, information
- Ensure seamless connectivity
- Strong solution/platform support



## Outcome:

Resolved SMS Delivery, connectivity, acknowledgment related challenges

Outstanding 24x7 support, pre & post-integration, and quick resolution

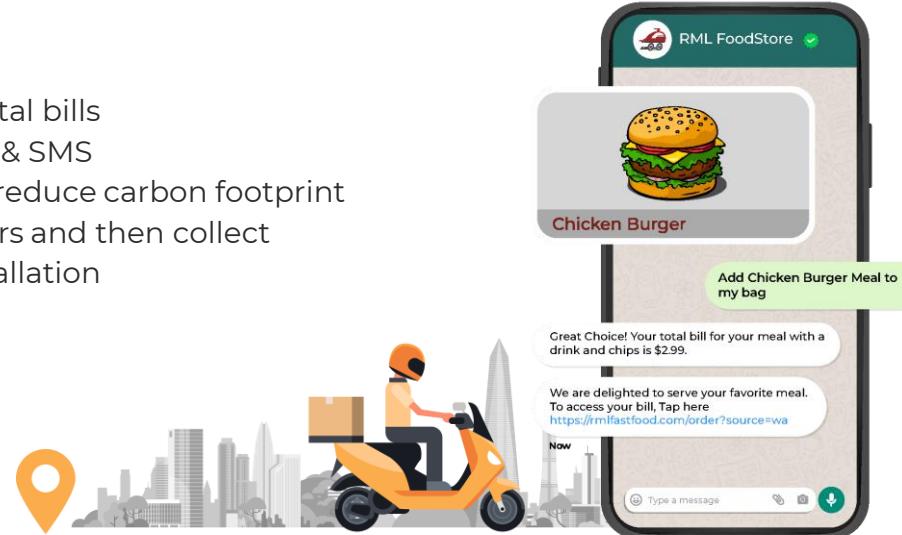
Enabled to launch more programs like virtual transactions, loyalty with CPaaS solutions

Enhanced customer engagement & loyalty

# World's leading fast-food multinational retailer went paperless to reduce their carbon footprint, attain efficiency and better CX using the WhatsApp Business Platform

## Solution:

- Omnichannel integration for processing digital bills
- Sharing order details and bills via WhatsApp & SMS
- Replacing paper with digital bills in order to reduce carbon footprint
- Ability to engage and connect with customers and then collect feedback, share offers, and increase app installation



# Southeast Asian multinational electronics brand increased sales using RCS Business Messages

## Solution:

- Broadcasting promotional messages to customers
- Carousels used to promote new mobile devices with new features and offers
- Call-to-action buttons such as URL for redirection to the website pages
- Multiple RBM rich cards enabled in a single message

## Outcome:

Improved customer engagement using RCS messages

Substantial increase in customer footfall in stores and website

Increased click-through rate for the campaigns

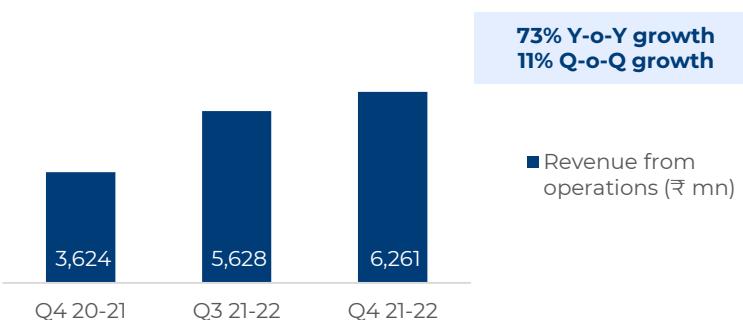




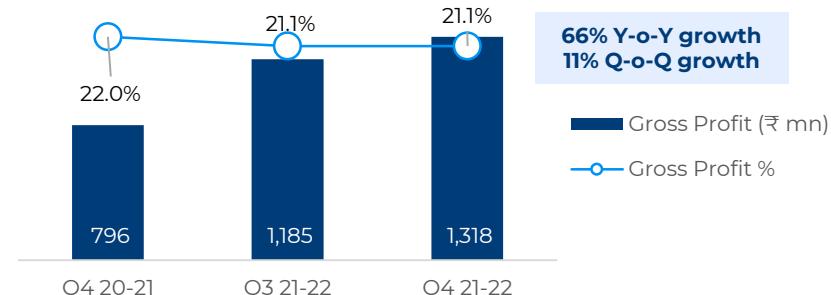
# Financial Highlights

# Q4 FY21-22 – Snapshot

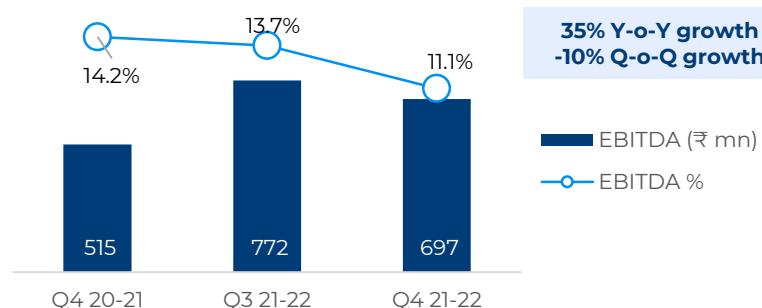
## Revenue from Operations (in ₹ mn)



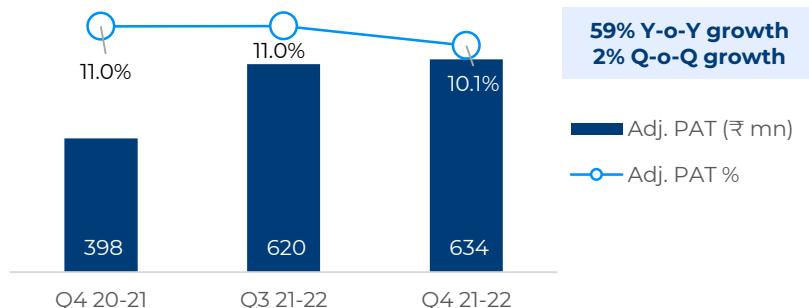
## Gross Profit (in ₹ mn) and Gross Profit Margin (%)



## EBITDA<sup>(1)</sup> (in ₹ mn) and EBITDA Margin (%)



## Adjusted PAT<sup>(2)</sup> (in ₹ mn) and Adjusted PAT Margin (%)



(1) Net loss on FX transactions and translation is excluded from EBITDA, amounting to ₹38mn and ₹70mn for Q4 FY21-22 and Q3 FY21-22 respectively. For Q4 FY21-22 and Q3 FY21-22, ESOP benefit expenses (non cash) were adjusted from EBITDA amounting to ₹95mn and ₹93mn

(2) PAT has been adjusted for non-cash ESOP benefit expenses and amortization associated with the intangible assets added as a result of purchase price allocation for acquisitions.. Q4 FY21-22 is also adjusted for tax refund pertaining to prior period for 365squared amounting to ₹38mn

# Financial Highlights for Q4 FY21-22

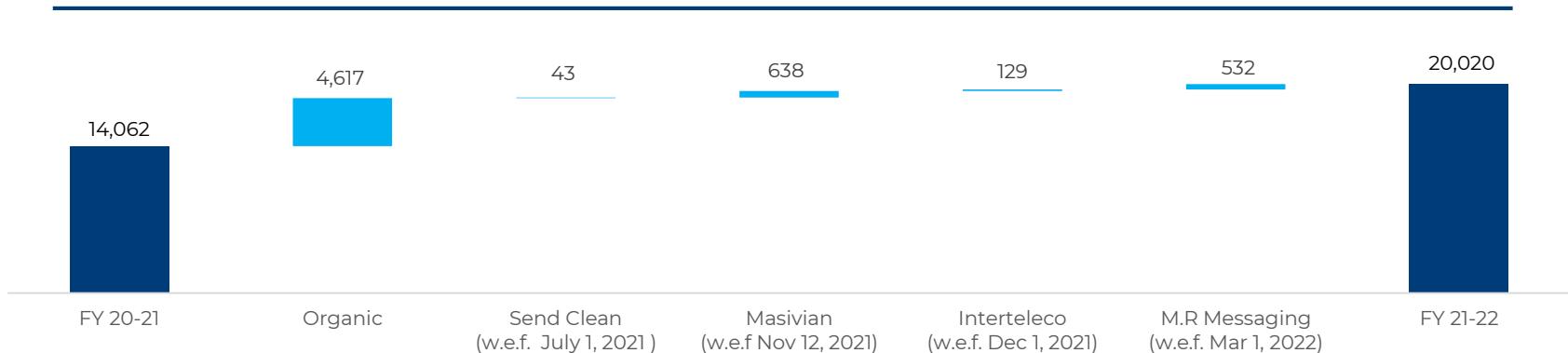
- Closed Q4 FY21-22 with revenue from operations of **₹6,261mn** compared to **₹5,628mn** in Q3 FY21-22 and **₹3,624mn** in Q4 FY20-21
  - *Y-o-Y growth of **72.7%** and sequential growth of **11.2%** in revenue*
- Recorded Gross Profit of **₹1,318mn** in Q4 FY21-22 compared to **₹1,185mn** in Q3 FY21-22 and **₹796mn** in Q4 FY20-21
  - *Y-o-Y growth of **65.7%** and sequential growth of **11.2%** in Gross Profit*
  - *Gross Profit margin of **21.1%, 21.1%, and 22.0%** in Q4 FY21-22, Q3 FY21-22 and Q4 FY20-21 respectively*
- EBITDA of **₹697mn** in Q4 FY21-22 compared to **₹772mn** in Q3 FY21-22 and **₹515mn** in Q4 FY20-21
  - *Y-o-Y growth of **35.3%** and sequential de-growth of **9.7%** in EBITDA*
  - *EBITDA margin of **11.1%, 13.7% and 14.2%** in Q4 FY21-22, Q3 FY21-22 and Q4 FY20-21 respectively*
- Recorded Profit After Tax of **₹474mn** in Q4 FY21-22 compared to **₹463mn** in Q3 FY21-22 and **₹355mn** in Q4 FY20-21
  - *Y-o-Y growth of **33.6%** and sequential growth of **2.4%** in Profit After Tax*
- Adjusted Profit After Tax of **₹634mn** in Q4 FY21-22 compared to **₹620mn** in Q3 FY21-22 and **₹398mn** in Q4 FY20-21
  - *Adjusted for ESOP benefit expenses and non-cash amortization associated with the intangible assets added as a result of purchase price allocation for acquisitions. Q4 FY21-22 is also adjusted for tax refund pertaining to prior period for 365squared amounting to ₹38mn*
  - *Adjusted Profit After Tax margin of **10.1%, 11.0% and 11.0%** in Q4 FY21-22, Q3 FY21-22 and Q4 FY20-21 respectively*

# Inorganic initiatives in FY 21-22



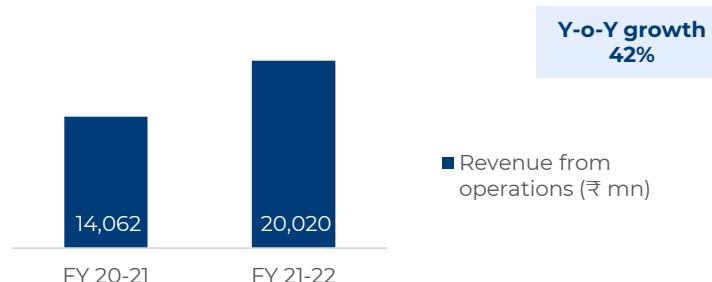
- Acquired 100% stake in M R Messaging FZE (“MRM”) for an equity value of EUR 38 mn (₹ 3,192 mn), subject to revision based on the EBITDA achieved by MRM for FYE March 31, 2023, FYE March 31, 2024 and FYE March 31, 2025
- MRM’s acquisition will expand Route Mobile’s reach into new geographies primarily Europe, South Africa and Japan
- **Total purchase consideration will be paid out as follows:**
  - Upfront cash consideration of EUR 19.38 mn (₹ 1,628 mn) paid at closing
  - Deferred payouts spread over three (3) years, viz. FYE March 31, 2023, 2024 and 2025 and linked to EBITDA performance of MRM for the respective years

**FY21-22 Revenue Bridge (in ₹ mn)**

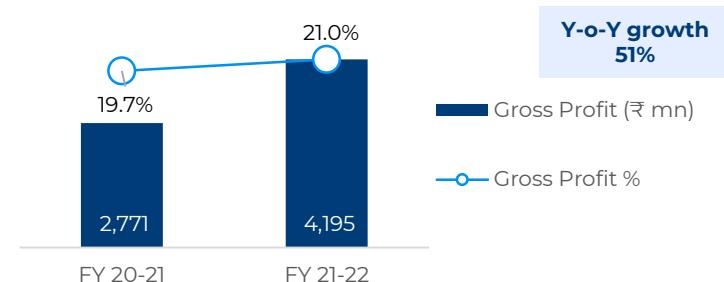


# FY 21-22 – Snapshot

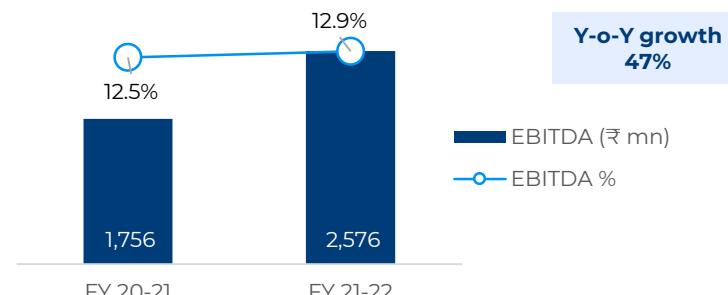
## Revenue from Operations (In ₹ mn)



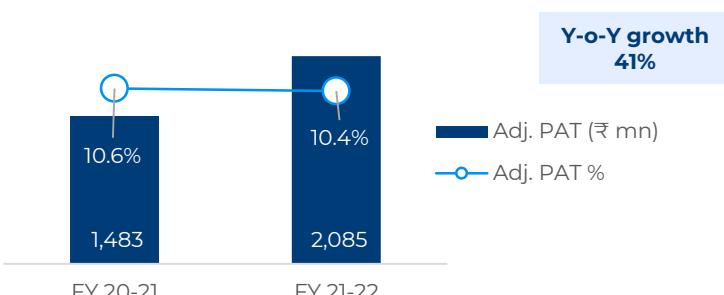
## Gross Profit (In ₹ mn) and Gross Profit Margin (%)



## EBITDA<sup>(1)</sup> (In ₹ mn) and EBITDA Margin (%)



## Adjusted PAT<sup>(2)</sup> (In ₹ mn) and Adjusted PAT Margin (%)



(1) Net loss on FX transactions and translation is excluded from EBITDA, amounting to ₹201mn for FY21-22. For FY21-22, ESOP benefit expenses (non cash) were adjusted from EBITDA amounting to ₹189mn

(2) PAT has been adjusted for ESOP benefit expenses and non-cash amortization associated with the intangible assets added as a result of purchase price allocation for acquisitions. FY21-22, is also adjusted for tax refund pertaining to prior period for 365squared amounting to ₹38mn

# Financial Highlights for FY21-22

- Closed FY21-22 with revenue from operations of **₹20,020mn** compared to **₹14,062mn** in FY20-21
  - *Y-o-Y growth of 42.4% in revenue*
- Recorded Gross Profit of **₹4,195mn** in FY21-22 compared to **₹2,771mn** in FY20-21
  - *Y-o-Y growth of 51.4% in Gross Profit*
  - *Gross Profit margin of 21.0%, 19.7% in FY21-22 and FY20-21 respectively*
- EBITDA of **₹2,576mn** in FY21-22 compared to **₹1,756mn** in FY20-21
  - *Y-o-Y growth of 46.7% in EBITDA*
  - *EBITDA margin of 12.9%, 12.5% in FY21-22 and FY20-21 respectively*
- Recorded Profit After Tax of **₹1,701mn** in FY21-22 compared to **₹1,328mn** in FY20-21
  - *Y-o-Y growth of 28.1% in Profit After Tax*
- Adjusted Profit After Tax of **₹2,085mn** in FY21-22 compared to **₹1,483mn** in FY20-21
  - *Adjusted for ESOP benefit expenses and non-cash amortization associated with the intangible assets added as a result of purchase price allocation for acquisitions. FY21-22 is also adjusted for tax refund pertaining to prior period for 365squared amounting to ₹38mn*
  - *Adjusted Profit After Tax margin of 10.4% and 10.6% in FY21-22 and FY20-21 respectively*

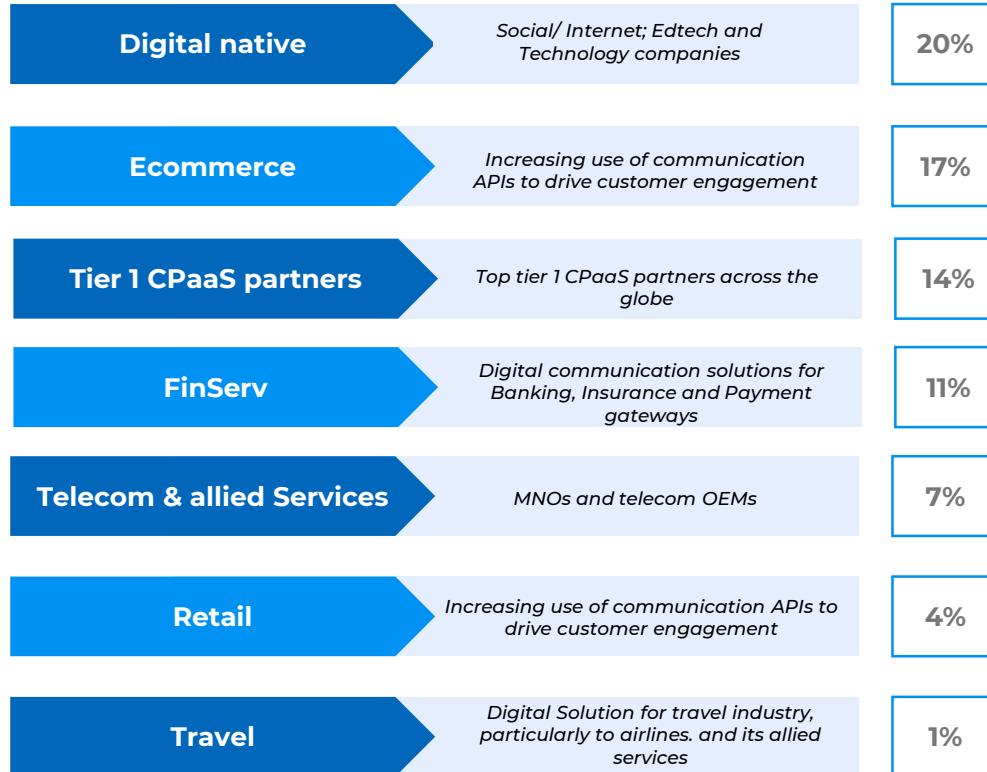
# EBITDA and Adjusted PAT – Non GAAP

Particulars (In ₹ mn)	Quarter Ended			Year Ended	
	31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
<b>Profit before tax (Ind AS)</b>	<b>468.1</b>	<b>550.9</b>	<b>424.6</b>	<b>1,952.2</b>	<b>1,615.5</b>
(-) Other income	84.1	47.3	(6.1)	200.6	159.8
(+) Finance costs	33.9	6.2	4.4	51.6	27.5
<b>EBIT</b>	<b>417.9</b>	<b>509.8</b>	<b>435.1</b>	<b>1,803.1</b>	<b>1,483.1</b>
(+) Depreciation and amortisation expense	145.3	98.5	63.9	383.2	257.6
(+) Employee stock option expense (non cash)	95.4	93.3	-	188.7	-
(+) Net loss on foreign currency transactions and translation	38.3	70.0	-	201.3	-
(+) Stamp duty charges (adjusted for tax)	-	-	15.8	-	15.8
<b>EBITDA (Non-GAAP)</b>	<b>697.1</b>	<b>771.6</b>	<b>514.9</b>	<b>2,576.3</b>	<b>1,756.6</b>
<b>EBITDA margin % on a Non-GAAP basis</b>	<b>11.1%</b>	<b>13.7%</b>	<b>14.2%</b>	<b>12.9%</b>	<b>12.5%</b>
<b>Profit for the period (Ind AS)</b>	<b>474.2</b>	<b>462.9</b>	<b>354.8</b>	<b>1,700.8</b>	<b>1,327.6</b>
(+) Employee stock option expense (non-cash)	95.4	93.3	-	188.7	-
(-) Tax refund for prior period - 365squared	37.8	-	-	37.8	-
(+) Stamp duty charges (adjusted for tax)	-	-	11.1	-	11.1
(+) Amortization related to intangibles identified on account of acquisitions	102.6	63.4	32.5	233.1	144.1
<b>Adjusted PAT (Non-GAAP)</b>	<b>634.4</b>	<b>619.6</b>	<b>398.5</b>	<b>2,084.8</b>	<b>1,482.8</b>
<b>Adjusted PAT margin % on a Non-GAAP basis</b>	<b>10.1%</b>	<b>11.0%</b>	<b>11.0%</b>	<b>10.4%</b>	<b>10.5%</b>

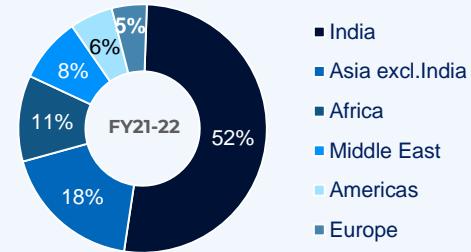
Management uses the non-GAAP financial information, collectively, to evaluate its ongoing operations and for internal planning and forecasting purposes. Non-GAAP financial information is presented for supplemental informational purposes only, should not be considered a substitute for financial information presented in accordance with Indian Accounting Standard (Ind AS), and may be different from similarly-titled non-GAAP measures used by other companies.

# Diverse customer base

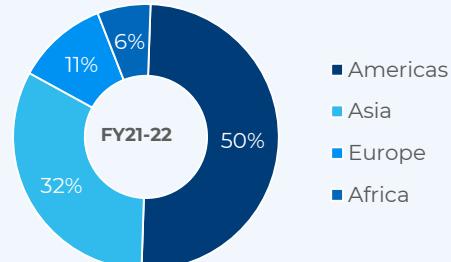
## Revenue contribution from select industries in FY21-22



## Revenue for Top 50 countries by termination <sup>(1)</sup>

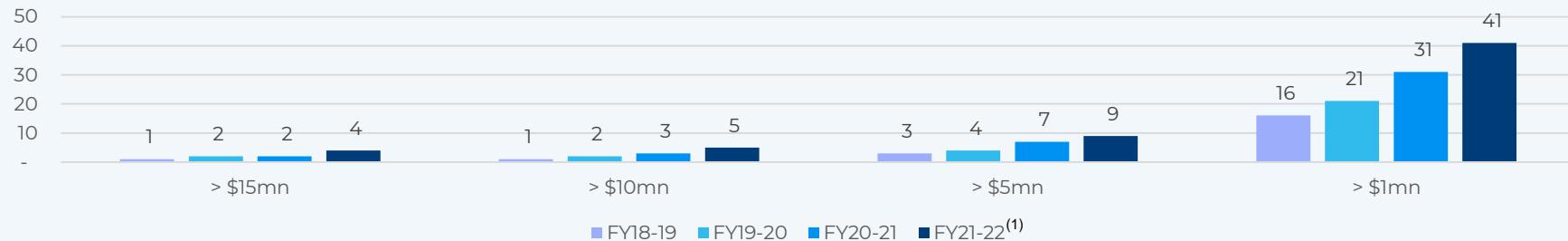


## Revenue by customer HQ (continent) <sup>(2)</sup>

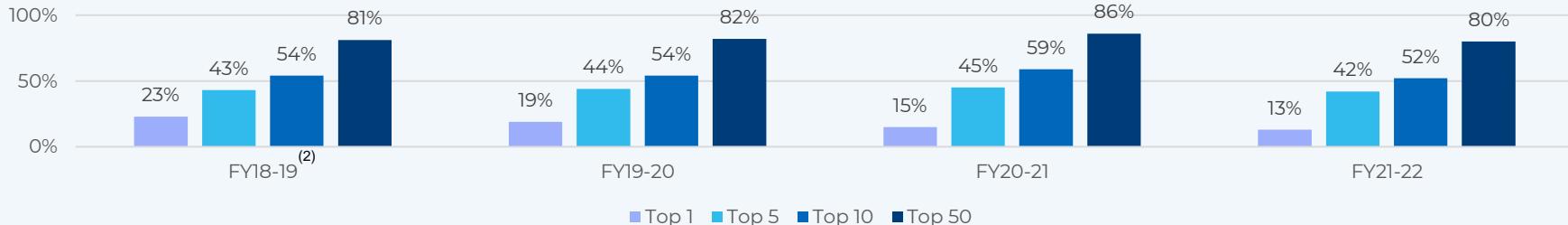


# Growing number of Multi-million dollar accounts with Improving Client Diversification

## Clients by Account Size



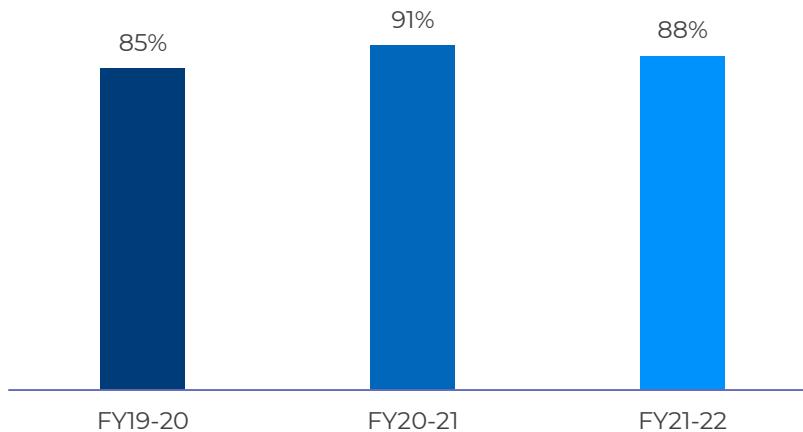
## Client Concentration



<sup>(1)</sup> Excludes MRM (one of the clients of RML) from this analysis post acquisition | <sup>(2)</sup> FY18-19 excludes the discontinued wholesale voice business

# Strong Recurring Revenue

## Recurring Revenue<sup>(1)</sup> as % of Operating Revenue



**134%** Net revenue retention<sup>(2)</sup>

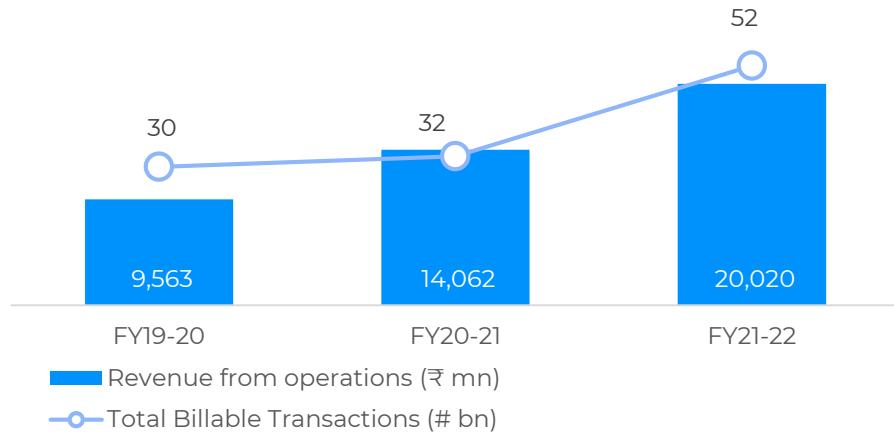
Deep Customer engagement driving high recurring revenues

(1) Recurring customers defined as customers that have been billed in each of the months over the respective period. For instance, a customer billed each month over April 1, 2021 – March 31, 2022 is a recurring customer for FY21-22

(2) Net revenue retention calculated based on comparison of FY20-21 revenue with FY21-22 revenue

# Unit Economics – Revenue

## Revenue from operations and Total Billable Transaction



Robust growth momentum  
**42%** Y-o-Y growth in FY21-22  
**34%** CAGR over past 5 years  
 (FY16-17 to FY21-22)

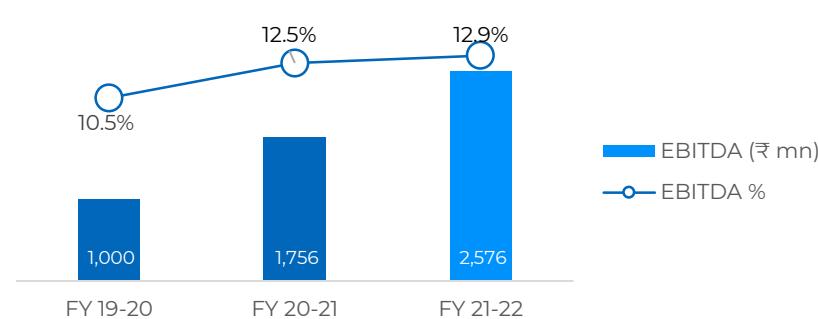
## Revenue per transaction (in ₹)



Higher revenue per transaction  
 (excluding email)

# Unit Economics – EBITDA

**EBITDA (In ₹ mn) and EBITDA Margin (%)**



**EBITDA (In ₹) per transaction**

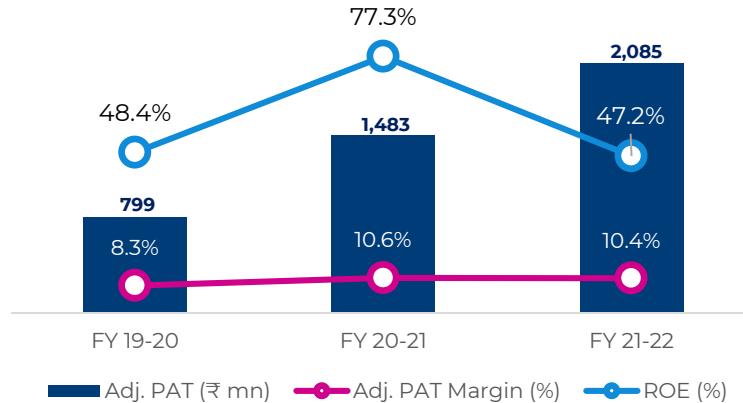


Non-linear business model creates  
**high operating leverage**

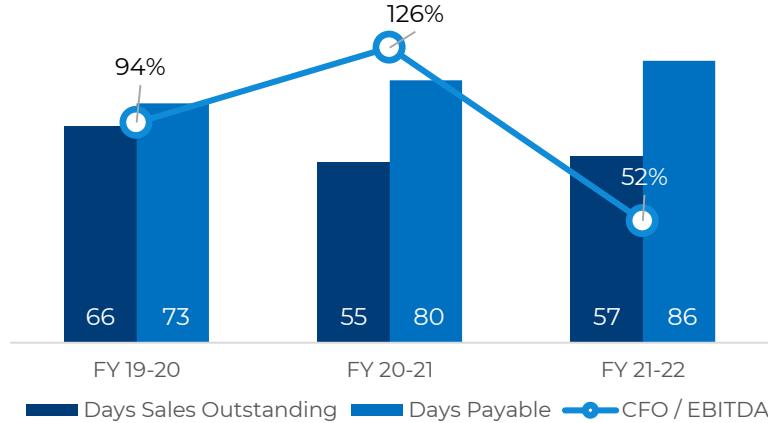
EBITDA as % of Gross Profit increased from  
**52%** in FY19-20 to **63%** in FY20-21 and **61%** in FY21-22

# Robust Return Ratios & Healthy Working Capital

Adj. PAT, Adj. PAT Margin and ROE<sup>(1)</sup>



Working Capital Trend<sup>(2)</sup>



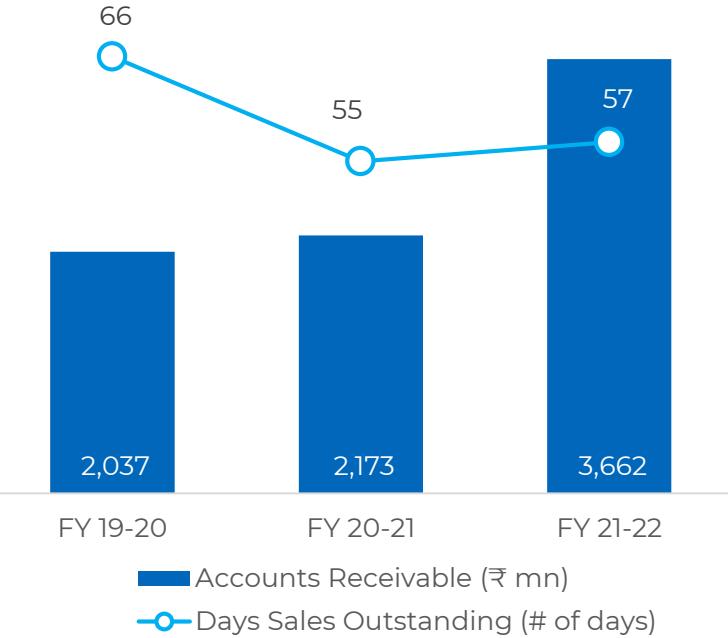
- Non-linear revenue model, creates significant operating leverage
- Robust EBITDA to Cash Flow from Operations conversion rate

<sup>(1)</sup> PAT has been adjusted for non-cash ESOP expenses and amortization associated with the intangible assets added as a result of purchase price allocation for acquisitions, and for one-time stamp duty charges incurred in FY2021; ROE calculated using average Equity (less cash and cash equivalent) and Adj. PAT

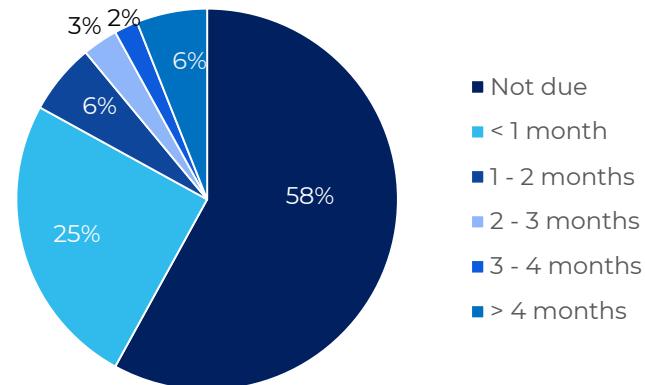
<sup>(2)</sup> Trade Payables include Outstanding expenses

# Accounts Receivable Analysis

Trend in Accounts Receivable <sup>(1)</sup>



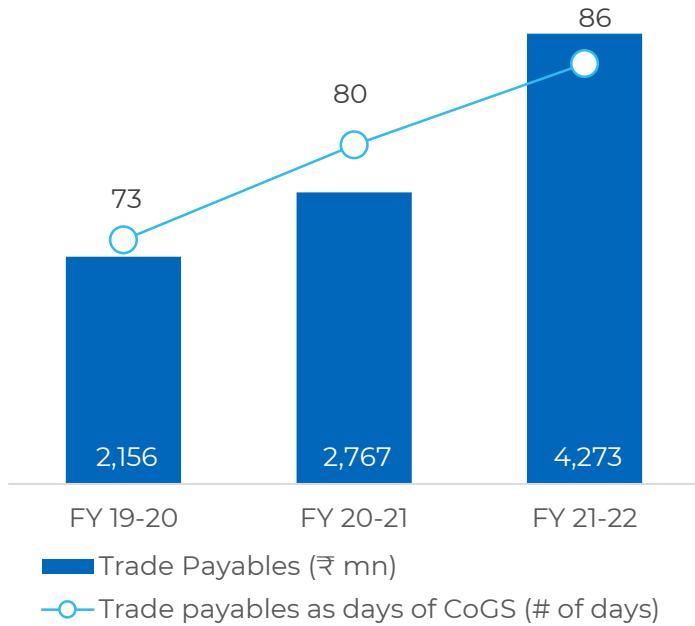
Ageing analysis of Accounts Receivable <sup>(1)</sup>  
as on Mar 31, 2022



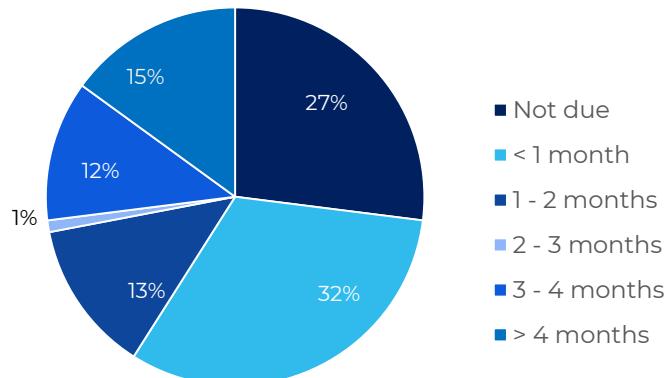
<sup>(1)</sup> Days Sales Outstanding and trade receivable ageing analysis excludes MRM, Masivian and Interteleco'

# Trade Payables Analysis

Trend in Trade Payables <sup>(1)</sup>



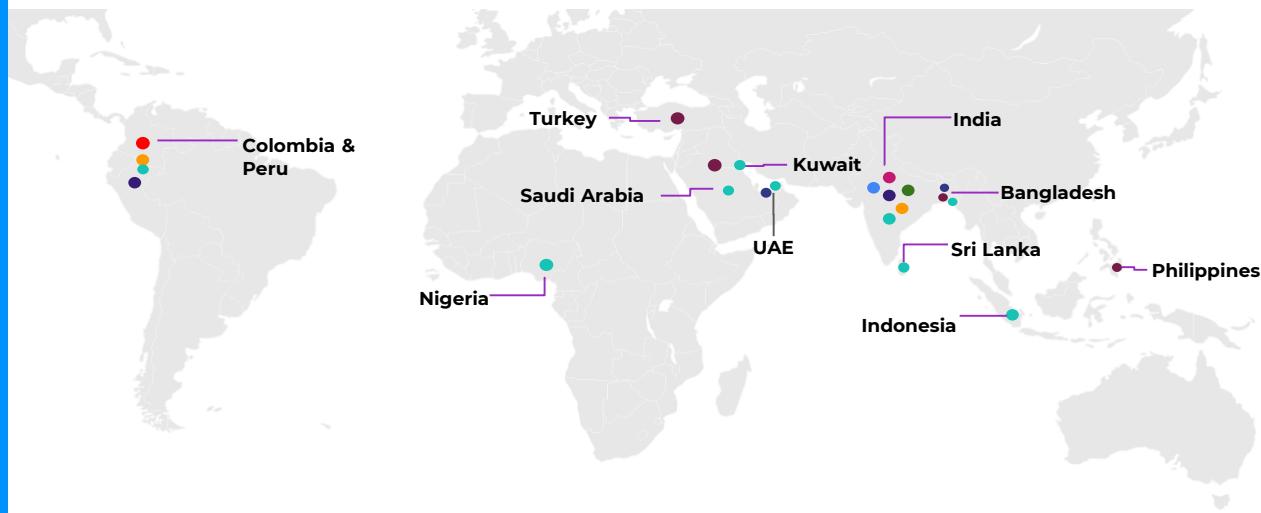
Ageing analysis of Trade Payables <sup>(1)</sup> as on Mar 31, 2022



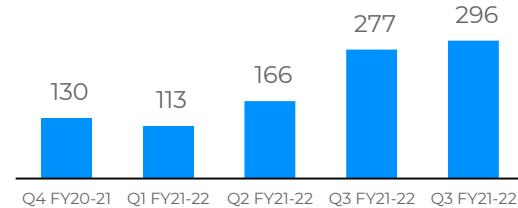
(1) Trade Payables include outstanding expenses

Trade payable days and Trade payable analysis excludes MRM, Masivian and Interteleco

# New Product Revenue Momentum across Geographies



## Quarterly New Product Sales (₹ mn)



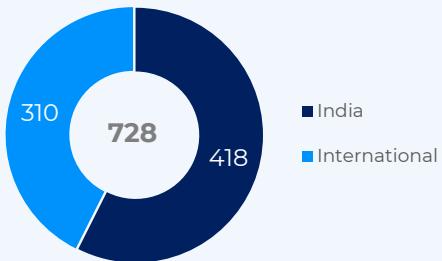
**Q4 FY21-22 growth**  
 ✓ 128% Y-o-Y  
 ✓ 7% Q-o-Q

Revenue from new products  
in FY21-22

₹ 852mn

# Human Resource Capital

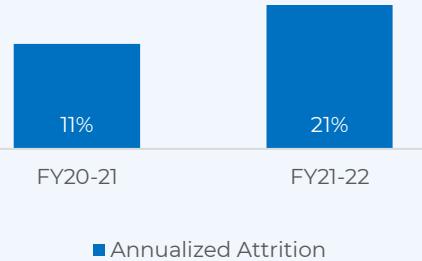
## Location wise break-up<sup>(1)</sup>



## Function wise break-up<sup>(1)</sup>



## Attrition analysis<sup>(2)</sup>



(1) As on Mar 31 2022, Employee information excludes Call2Connect

(2) Attrition analysis excludes Masivan, MRM, Interteleco and Call2Connect

# Glossary

<b>2FA</b>	Two-Factor Authentication	<b>MNO</b>	Mobile Network Operator
<b>A2P</b>	Application to Person	<b>OBD</b>	Out-Bound Dialling
<b>API</b>	Application Programming Interface	<b>rapid</b>	Route Mobile API developer
<b>AI / ML</b>	Artificial Intelligence / Machine Learning	<b>RBM</b>	RCS Business Messaging
<b>CPaaS</b>	Communication Platform as a Service	<b>RCS</b>	Rich Communication Services
<b>CRM</b>	Customer Relationship Management	<b>RML</b>	Route Mobile Limited
<b>CxPaaS</b>	Customer Experience Platform as a Service	<b>ROCE</b>	Return on Capital Employed
<b>DLT</b>	Distributed Ledger Technology	<b>ROE</b>	Return on Equity
<b>ESG</b>	Environmental, Social, and Governance	<b>SI</b> s	System Integrators
<b>GBM</b>	Google Business Messaging	<b>SMS</b>	Short Message Service
<b>IVR</b>	Interactive Voice Response	<b>SMSC</b>	Short Message Service Center
<b>ME</b>	Middle East	<b>UCaaS</b>	Unified Communications as a Service
<b>MIDaaS</b>	Market Insights Data as a Service	<b>VBM</b>	Viber Business Messaging
<b>MMSC</b>	Multimedia Messaging Service Center	<b>WBS</b>	WhatsApp Business Solution



# Thank You

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