



# Management Presentation

*November 2020*

# Safe Harbor

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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.

# Snapshot

**US\$162 mn**  
LTM<sup>1</sup> Revenue

**US\$21 mn**  
LTM EBITDA

**US\$12 mn**  
LTM PAT  
*Profitable since first  
year of operation*

**US\$53 mn**  
Net Cash<sup>2</sup>

**145%**  
H1 FY2021  
CFO/EBITDA

**US\$722 mn**  
Market  
Capitalisation<sup>3</sup>

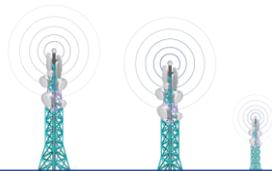
**2.77bn**  
Transactions in  
September 2020



Scalable omni-channel  
CPaaS platform deepening  
customer engagement



Serving 9 of the 20 most  
valuable Global Tech  
Brands<sup>4</sup>



245+  
Direct MNO connect  
Super Network



Team of 300+ motivated  
professionals



Presence across  
18 locations globally

## Attractive Market Dynamics - Large and rapidly growing global addressable market



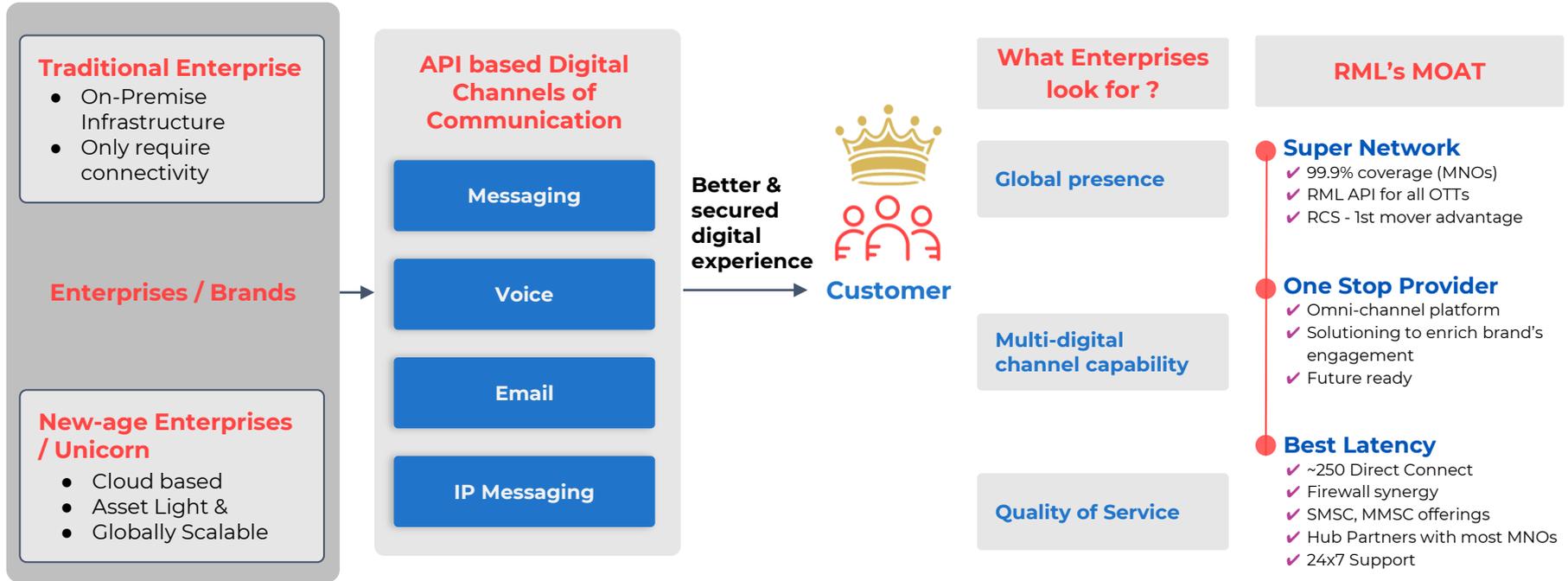
As per Gartner estimates, by 2023, 90% of Global enterprises will leverage API enabled CPaaS offerings to enhance their digital competitiveness, up from 20% in 2020

Further, Gartner estimates the CPaaS market projected grow at a CAGR of 33%

<sup>1</sup>LTM – last 12 months, ended September 30, 2020 | <sup>2</sup> As on September 30, 2020) | <sup>3</sup>As of November 5, 2020 (source: BSE India)

<sup>4</sup>Source: <https://www.visualcapitalist.com/the-worlds-tech-giants-ranked/>

# Digital Communication Value Chain And RML's Value Prop



# RML Is An Established Leader In Global CPaaS Space

		Capability and Capacity		
		Disruptors & Emulators	Leading Challengers	Established Leaders
Product and Position	Extensive Breadth, Depth		CM.com Kaleyra Plivo	Route Mobile Infobip Sinch iMImobile
	Mid-market or Segment focused		Comviva OpenMarket Soprano Design	Syniverse
	Niche	GSM Worldwide mGage Mitto	Interop Technologies Twilio	
		Aspiring	Developing	Expansive

Source: Juniper Research, CPAAS Deep Dive Strategy & Competition 2020-2025

# Strongly Recognized By Industry Experts On Technology And Geographical Reach

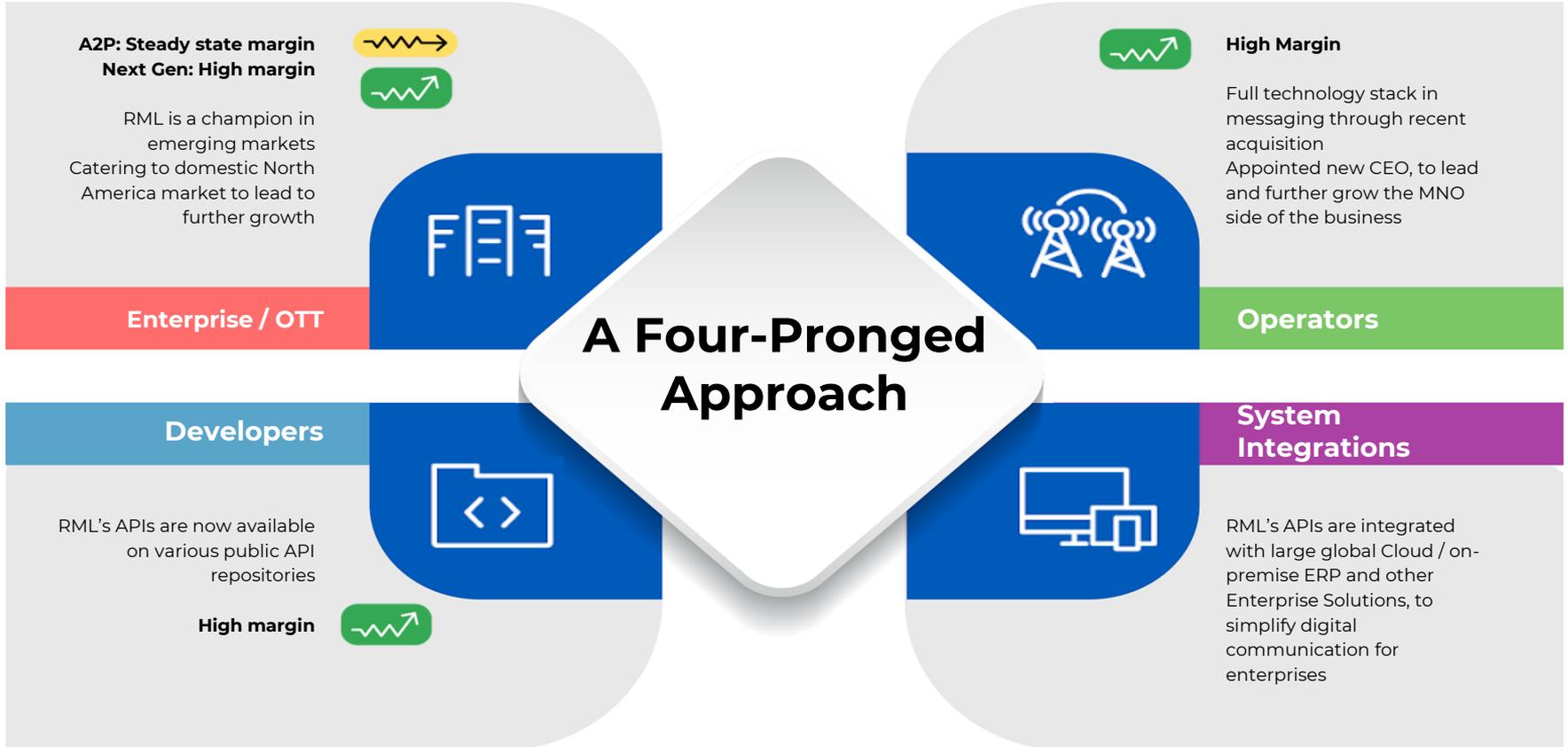
	Capacity & Capability			Product & Positioning		
	Size of Operations	Experience in CPAAS	Geographical Reach	Service Innovation	Industry Coverage	Future Business Products
	●	●	●	●	●	●
<b>infobip</b>	●	●	●	●	●	●
<b>syniverse</b>	●	●	●	●	●	●
<b>sinch</b>	●	●	●	●	●	●
<b>IMI</b> mobile	●	●	●	●	●	●

High ●●●●● Low

# Strong Industry Recognition



# Go-to-Market Strategy





Platform and  
Products

# Enabling Customer Communications Lifecycle using CPaaS

## Enabling Customer Communication Lifecycle



Communication Platform as a Service

# Products and Services

**Our unified solutions enable digital communications globally, for enterprises**

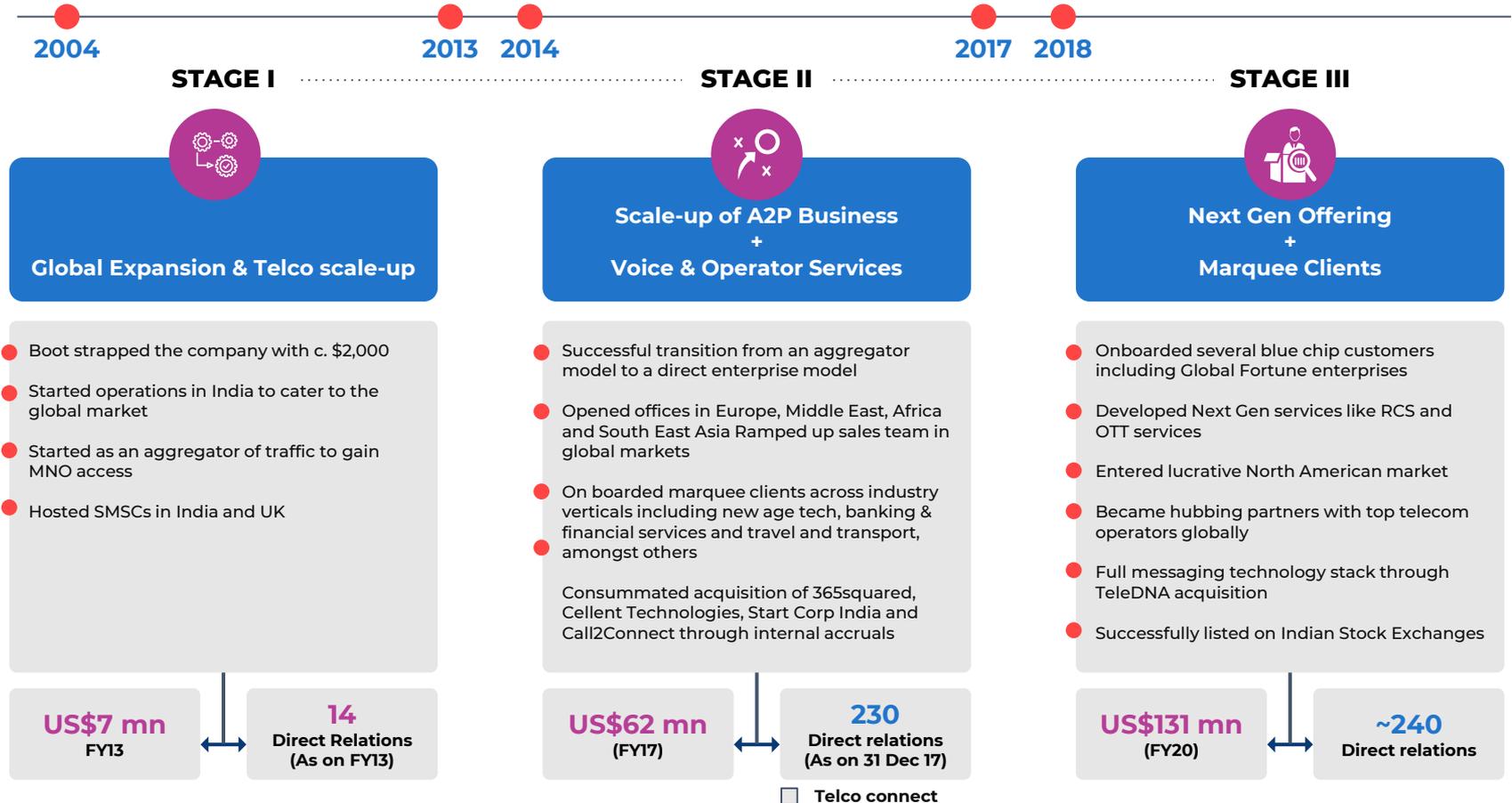
Enterprises leverage Route Mobile's swift, reliable and cost-effective channels to stay in touch with their customers





Financial  
Highlights

# Our Journey



# Strategic acquisitions



Sep 2016

## Acquired Cellent Technologies and Start Corp (India + Middle East)

**Strategic intent:** Entry into new geographical market

**Rationale:** Beachhead in Middle East market, with ready base of blue-chip customers

**Outcome:** Leadership position in UAE market, and strong presence in other Middle East countries

Apr 2017

## Acquired Call2Connect (India)

**Strategic intent:** Service line expansion

**Rationale:** Acquire business process automation capabilities

**Outcome:** Acquired blue-chip enterprise customers in India (domestic) market

Oct 2017

## Acquired 365squared (Malta)

**Strategic intent:** Product portfolio expansion

**Rationale:** A2P Firewall solutions offered to MNOs position Route Mobile as preferred gateway

**Outcome:** Delivers SaaS revenue from MNOs; synergies for A2P business

Jul 2020

## Acquired Telecom Operator related business from TeleDNA (slump sale basis)

**Strategic intent:** backward integrate 365squared solution stack

**Rationale:** holistic solution offering for MNOs; higher margin retention in the MNO solutions business

**Outcome:** margin synergies, and stronger value proposition

Way forward

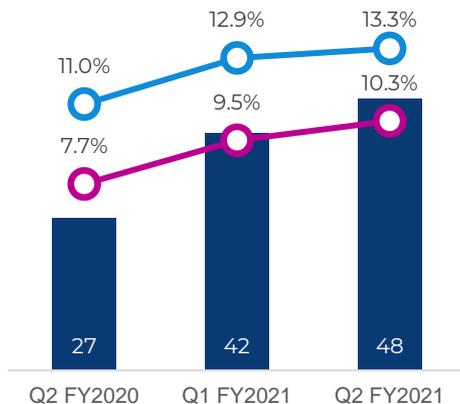
## Clearly chalked out inorganic strategy

**Product line expansion:** further strengthen CPaaS capabilities through technology acquisitions + UCaaS

**Consolidation/New Geography:** land and expand strategy through inorganic route

# Business resilient to Covid-19

## Quarterly revenue and profitability



### Revenue Growth

Y-o-Y: **76%**

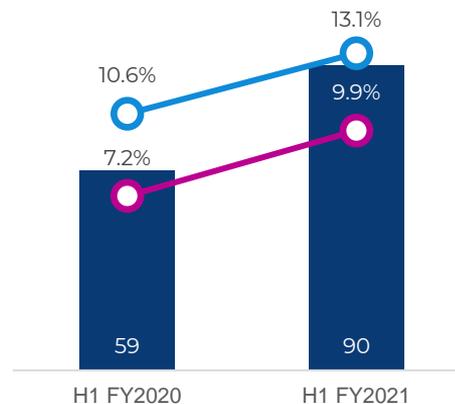
Sequential: **14%**

### Adj. PAT Growth

Y-o-Y: **135%**

Sequential: **23%**

## Half yearly revenue and profitability



### Revenue Growth

Y-o-Y: **54%**

### Adj. PAT Growth

Y-o-Y: **112%**

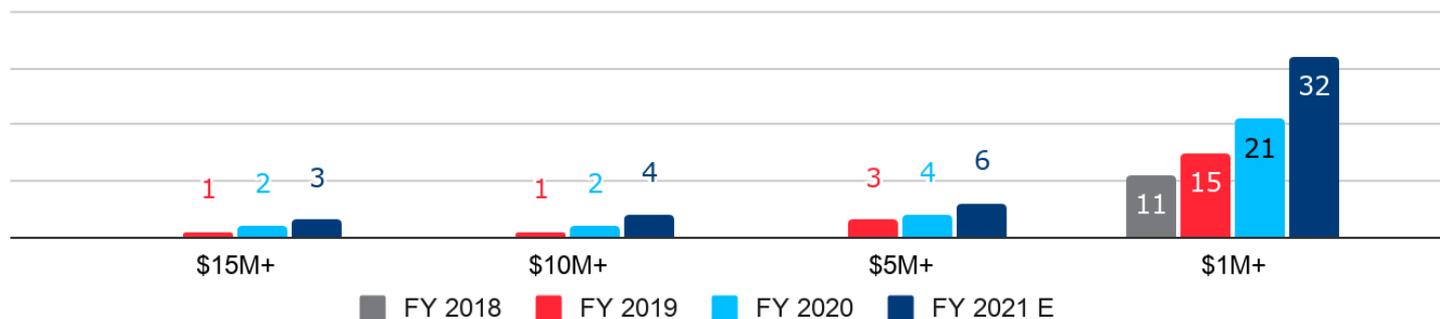
■ Revenue (US\$ mn)    ○ Adj. PAT (%)    ○ EBITDA (%)

- Covid-19 resulted in **accelerated adoption** of digitization initiatives by enterprises across the globe
- Enterprises implemented significantly larger number of digital communication case studies, leveraging various communication channels
- Route Mobile witnessed **positive momentum** in revenues through the past 6 months (period ended September 30, 2020)
- **Uptick in EBITDA margin reflects operating leverage**

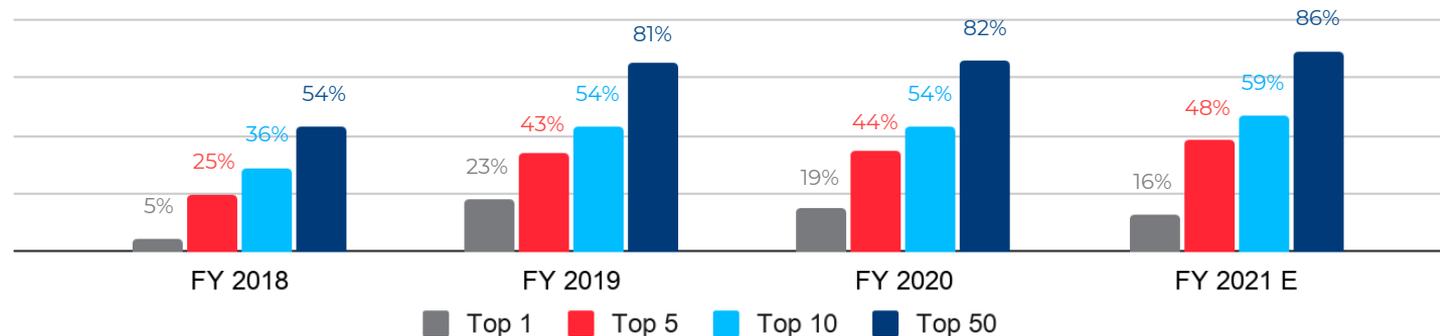
Adj. PAT calculated as: Reported PAT + amortization expense associated with intangibles created as per purchase price allocation for acquisitions  
EBITDA includes other income

# Growing Number Of Multi-Million Dollar Accounts With Improving Client Diversification

## Clients by Account Size

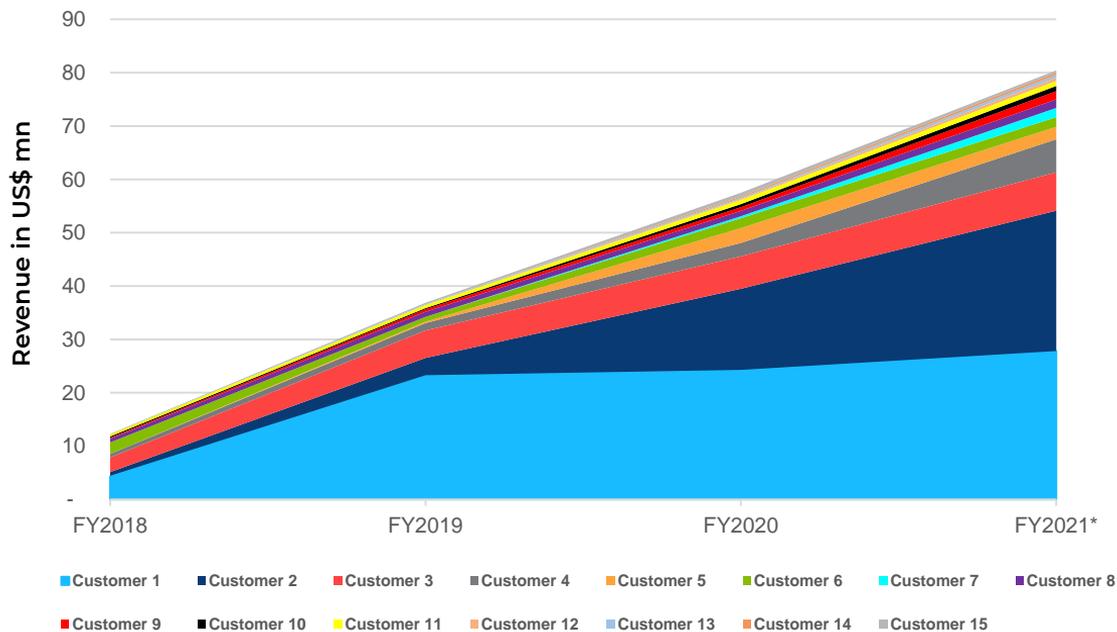


## Client Concentration



# Enterprise customers contributing to growth

Growth trend witnessed in top 15 enterprise customers  
(based on H1 FY2021 revenue)



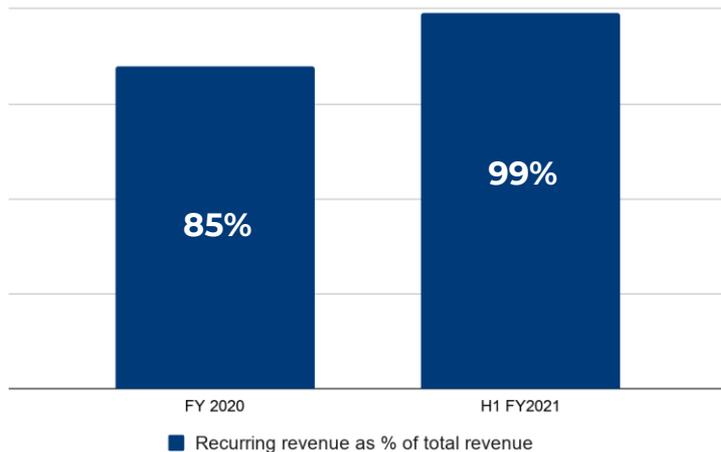
- Dedicated enterprise sales team focused on on-boarding large enterprise customers
- Key accounts management team focused on deepening relationship with key customers and growing revenue contribution from the key customers

Customer	CAGR (FY2018-FY2020)
Customer 1	134%
Customer 2	370%
Customer 3	49%
Customer 4	91%
Customer 5	984%
Customer 6	-7%
Customer 7	491%
Customer 8	19%
Customer 9	91%
Customer 10	55%
Customer 11	45%
Customer 12	NA
Customer 13	582%
Customer 14	1603%
Customer 15	150%

\* FY2021 revenue is based on annualized H1 FY2021 revenue from respective customers

# Strong recurring revenue

60% growth in recurring revenue in H1 FY2021 (annualized)



Net revenue<sup>(1)</sup>  
retention of

**139%**

## Deep Customer engagement driving high recurring revenues

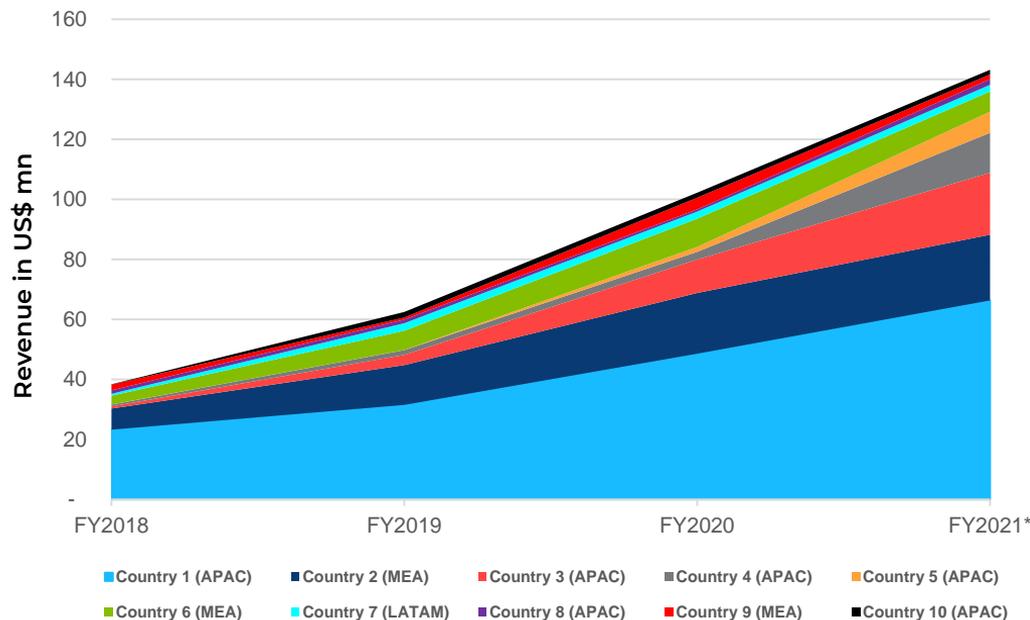
Recurring customers defined as customers that have been billed in each of the months over the respective period. For instance, a customer billed each month over April – September 2020 is a recurring customer for H1 FY2021

**Zero Churn in top 50 customers in H1 FY2021**

(1) Net revenue retention calculated based on comparison of FY2020 revenue with annualized H1 FY2021 revenue for top 150 customers (accounting for 96% of FY2020 revenue)

# Dominant player in the emerging markets

Top 10 countries (as per H1 FY2021 revenue), in terms of A2P revenue generated by termination of communication



- Geographically diversified business
- Domination in emerging markets – driven by deep MNO connects and deployment of firewall solutions for some of the MNOs in those countries
- Top 10 countries contributed 87% of the total A2P revenue in H1 FY2021

Country	CAGR (FY2018-FY2020)
Country 1 (APAC)	42%
Country 2 (MEA)	46%
Country 3 (APAC)	211%
Country 4 (APAC)	180%
Country 5 (APAC)	539%
Country 6 (MEA)	32%
Country 7 (LatAm)	52%
Country 8 (APAC)	18%
Country 9 (MEA)	-6%
Country 10 (APAC)	142%

\* FY2021 revenue is based on annualized H1 FY2021 revenue from respective countries

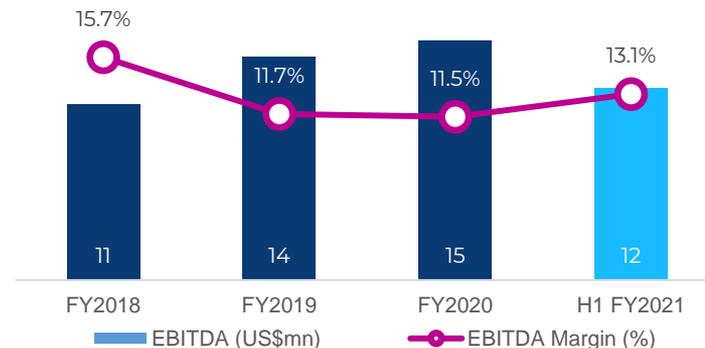
# Snapshot - H1 FY2021 financials

## Revenue and Total Billable Transactions

38% Revenue CAGR



## EBITDA and EBITDA Margin



## Revenue Per Transaction (in US\$ cents)

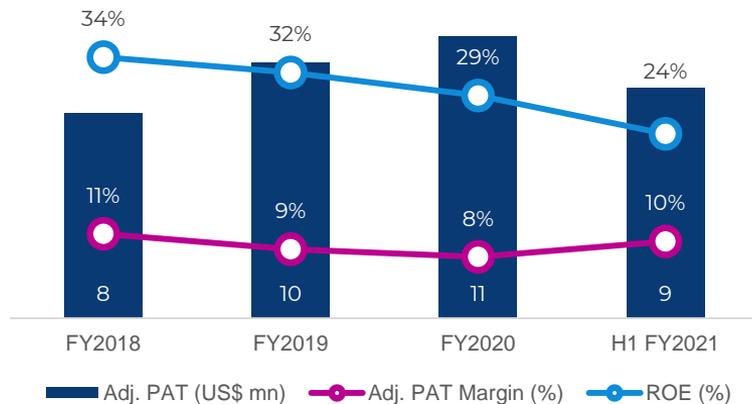


## EBITDA per Transaction (in US\$ cents)

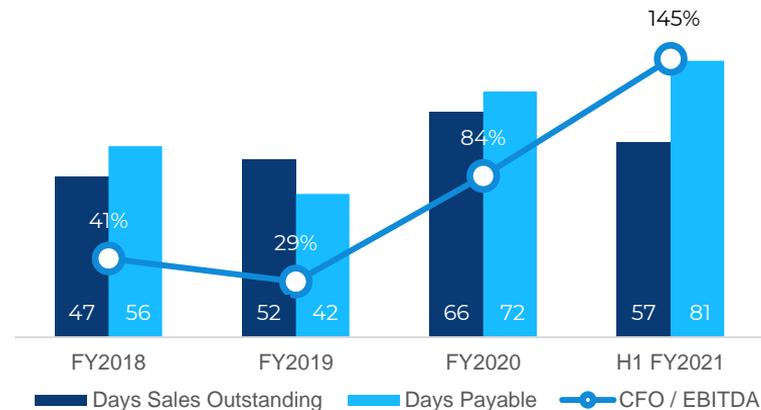


# Snapshot - H1 FY2021 financials

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



<sup>2</sup>Working Capital Trend



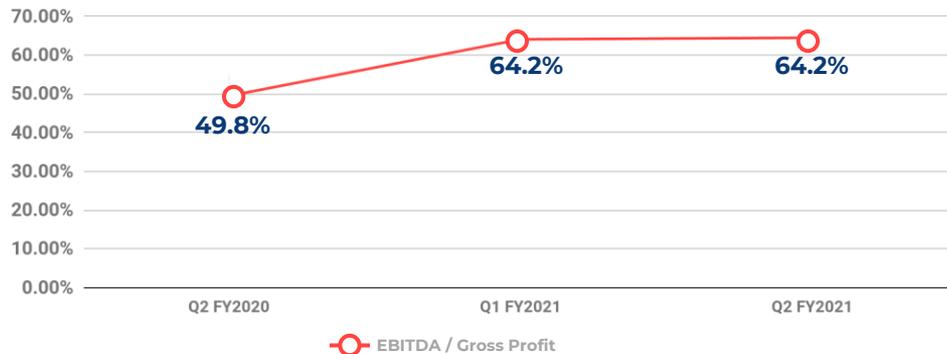
- Non-linear revenue model, creates significant operating leverage
- Robust EBITDA to Cash Flow from Operations conversion rate

<sup>1</sup>Adjusted PAT- Adjusted for non-cash line items on account of acquisitions

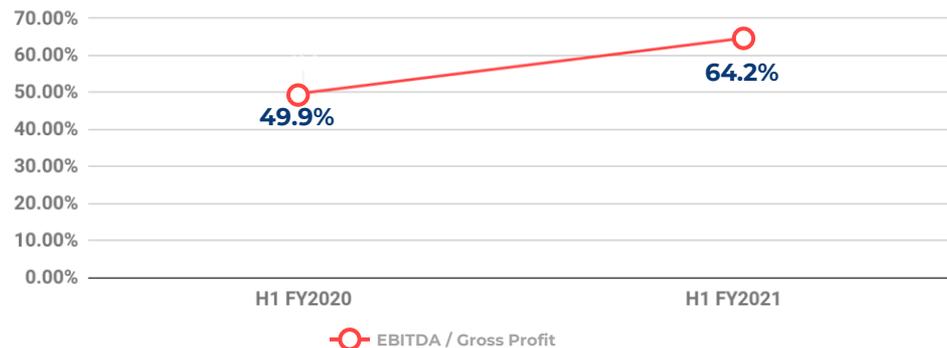
<sup>2</sup>Trade Payables include Outstanding expenses

# Operating leverage delivering EBITDA expansion

## EBITDA as % of Gross Profit – Quarterly analysis



## EBITDA as % of Gross Profit – Half Year analysis



- Revenue and gross margin are driven by mix of countries in which A2P messages are terminated
- EBITDA/Gross profit shows margin excluding MNO charges
- Volume growth does not require proportionate increase in operating expenses

# Financial Statements – Income Statement



Profit & Loss Statement (in US\$ mn)	Quarter ended			Y-o-Y growth	Half year ended		Year ended
	Sep 30, 2020	Jun 30, 2020	Sep 30, 2019		Sep 30, 2020	Sep 30, 2019	Mar 31, 2020
Revenue from Operations	47	42	27	78%	89	58	129
Other Income	1	0	1	8%	1	1	2
<b>Total revenue</b>	<b>48</b>	<b>42</b>	<b>27</b>	<b>76%</b>	<b>90</b>	<b>59</b>	<b>131</b>
<b>Expenses</b>							
-Purchases of messaging services	38	34	21	79%	72	46	103
-Employee benefits expense	2	2	2	2%	4	4	8
-Other expenses	2	1	1	45%	3	2	5
<b>EBITDA</b>	<b>6</b>	<b>5</b>	<b>3</b>	<b>113%</b>	<b>12</b>	<b>6</b>	<b>15</b>
Finance costs	0	0	0	-10%	0	0	1
Depreciation and amortisation expense	1	1	1	28%	2	1	3
<b>Profit before tax (before exceptional items)</b>	<b>5</b>	<b>5</b>	<b>2</b>	<b>151%</b>	<b>10</b>	<b>4</b>	<b>11</b>
Exceptional items	-	-	-	-	-	-	2
<b>Profit before tax</b>	<b>5</b>	<b>5</b>	<b>2</b>	<b>151%</b>	<b>10</b>	<b>4</b>	<b>9</b>
Tax expense	1	1	0	144%	2	1	2
<b>Profit After Tax (as reported)</b>	<b>4</b>	<b>4</b>	<b>2</b>	<b>152%</b>	<b>8</b>	<b>4</b>	<b>8</b>
Amortization resulting from intangibles added on account purchase price allocation for acquisitions and exceptional items	1	0	0	48%	1	1	3
<b>Adjusted Profit After Tax</b>	<b>5</b>	<b>4</b>	<b>2</b>	<b>135%</b>	<b>9</b>	<b>4</b>	<b>11</b>

# Financial Statements – Balance Sheet



Balance Sheet, as on (in US\$ mn)	Sep 30, 2020	Jun 30, 2020	Sep 30, 2019	Mar 30, 2020
<b>Non-current assets</b>				
Property, plant and equipment	3	3	3	3
Right-of-use asset	1	1	2	1
Goodwill & Other intangible assets	20	19	19	19
Other non-current assets	6	7	6	6
Trade receivables	29	25	19	28
Cash and bank balances	58	21	14	14
Other current assets	12	10	7	13
<b>Total assets</b>	<b>129</b>	<b>86</b>	<b>69</b>	<b>85</b>
<b>Equity &amp; Liabilities</b>				
Shareholders Net Worth	74	40	32	36
<b>Non-current liabilities</b>				
Borrowings	1	1	1	1
Other non-current liabilities & provisions	1	1	1	1
<b>Current liabilities</b>				
Borrowings	4	5	5	5
Trade payables	26	23	13	24
Other financial liabilities	17	8	13	12
Other current liabilities & provisions	7	8	5	5
<b>Total equity and liabilities</b>	<b>129</b>	<b>86</b>	<b>69</b>	<b>85</b>

# Financial Statements: Cash Flow Statement



	Cash Flow Statement (figures in US\$ mn)	Quarter ended	Half year ended		Year ended
		FY20 Jun 30, 2020	Sep 30, 2020	Sep 30, 2019	Mar 31, 2020
<b>A</b>	<b>Cash Flow from Operating Activities</b>				
	<b>Profit before tax</b>	<b>5</b>	<b>10</b>	<b>4</b>	<b>9</b>
	Adjustments for non Cash and Non-Operating items	1	1	1	3
	Operating profit before working capital changes	6	11	9	12
	<b>Adjustments for working capital:</b>				
	(Increase)/decrease in trade receivables	3	(2)	1	(8)
	(Increase)/decrease in financial assets and other assets	3	1	(2)	(6)
	Increase/(decrease) in trade payables, provisions and other liabilities	0	7	5	17
	<b>Cash generated from/(used in) operating activities</b>	<b>11</b>	<b>18</b>	<b>9</b>	<b>15</b>
	Direct taxes paid (net)	0	(1)	(1)	(2)
	<b>Net cash generated from/(used in) operating activities</b>	<b>11</b>	<b>17</b>	<b>8</b>	<b>13</b>
<b>B</b>	<b>Cash Flow from Investing Activities</b>				
	Purchase/ (Sale) of PPE and intangible assets	(0)	(0)	(1)	(1)
	Proceeds from fixed deposits matured/(placed)	0	(26)	4	3
	Payment for acquisition of subsidiaries	(3)	(3)	0	(3)
	Interest received	0	0	0	0
	<b>Net cash (used in) investing activities</b>	<b>(4)</b>	<b>(29)</b>	<b>3</b>	<b>0</b>
<b>C</b>	<b>Cash Flow from Financing Activities</b>				
	Borrowings/ (Repaid)	0	(1)	(5)	(5)
	Interest paid	(0)	(0)	(0)	(0)
	Proceeds from and securities premium on issue of equity shares	0	32	0	0
	Lease liabilities paid (principal + interest)	(0)	(0)	(0)	(1)
	Dividend paid (including DDT)	0	-	(1)	(2)
	<b>Net cash (used in)/generated from financing activities</b>	<b>(0)</b>	<b>31</b>	<b>(7)</b>	<b>(8)</b>
<b>D</b>	<b>Currency fluctuations arising on consolidation</b>	<b>0</b>	<b>(1)</b>	<b>0</b>	<b>0</b>
	<b>Net increase/(decrease) in cash and cash equivalents ( A+B+C+D)</b>	<b>7</b>	<b>18</b>	<b>5</b>	<b>4</b>
	Opening balance of cash and cash equivalents	8	8	4	4
	<b>Closing balance of cash and cash equivalents</b>	<b>15</b>	<b>27</b>	<b>9</b>	<b>8</b>

# Continued Customer Acquisition

## New Customer addition for CPaaS solution



New customers for next-generation offerings



WhatsApp Business Solution, Viber Business Messaging, Enterprise Voice, Verified SMS

New customers added for A2P messaging



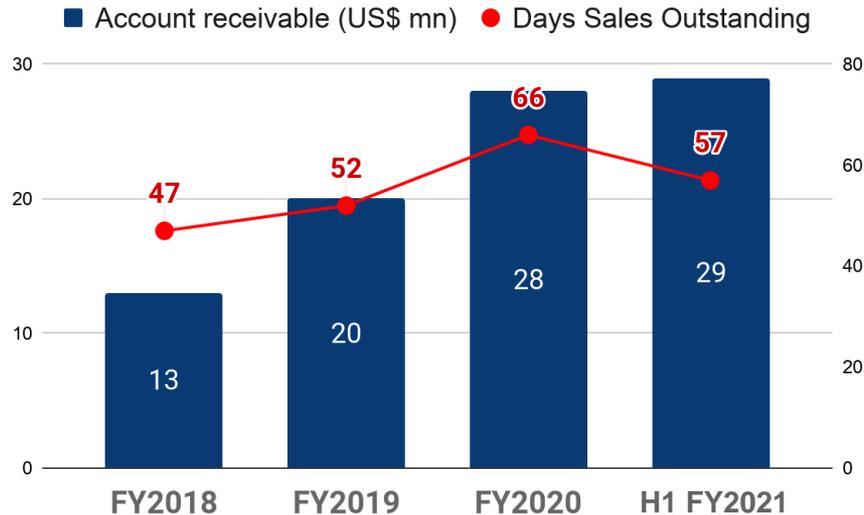
## Increasing traction for SaaS based MNO offerings

### SaaS Pipeline

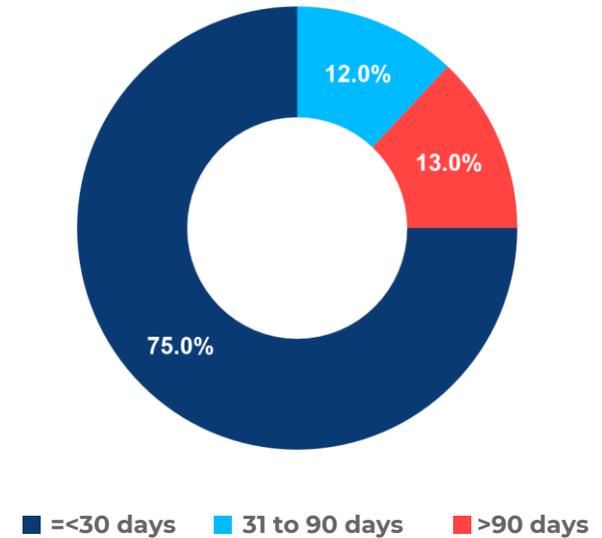
- Contract Won: **2**
- Proposals Submitted: **8**
- Preferred bidder: **1**
- Results Awaited: **6**
- Shortlisted for next stage: **1**

# Accounts Receivable Analysis

## Trend in Accounts Receivable

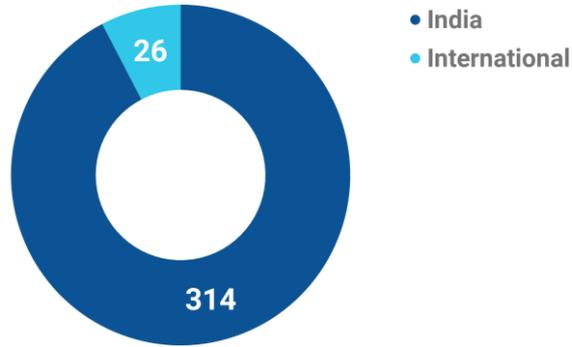


## Ageing analysis of Accounts Receivable as on Sep 30, 2020

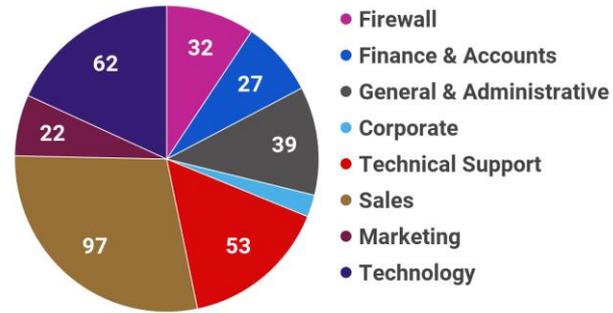


# Human Resource Capital

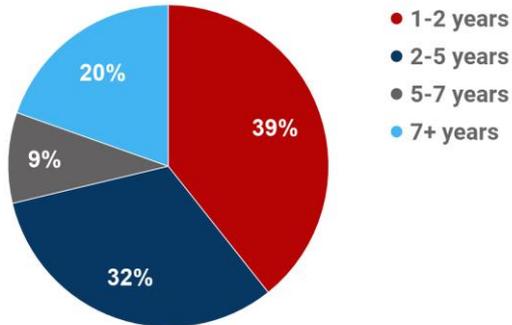
## Location wise break-up<sup>1</sup>



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



## Tenure with Route Mobile



## Key hires and attrition data

### Leadership positions

- CEO - 365squared (Malta)
- COO - 365squared (Malta)
- Head Human Resources (India)

Recruitment In H1FY2021 - 54 employees (including 18 employees on-boarded as part of acquisition of business from TeleDNA)

	FY2020	H1 FY2021*
<b>Attrition</b>	<b>19%</b>	<b>8%</b>

\* annualized; excluding Call2Connect

<sup>1</sup>As on September 30,2020

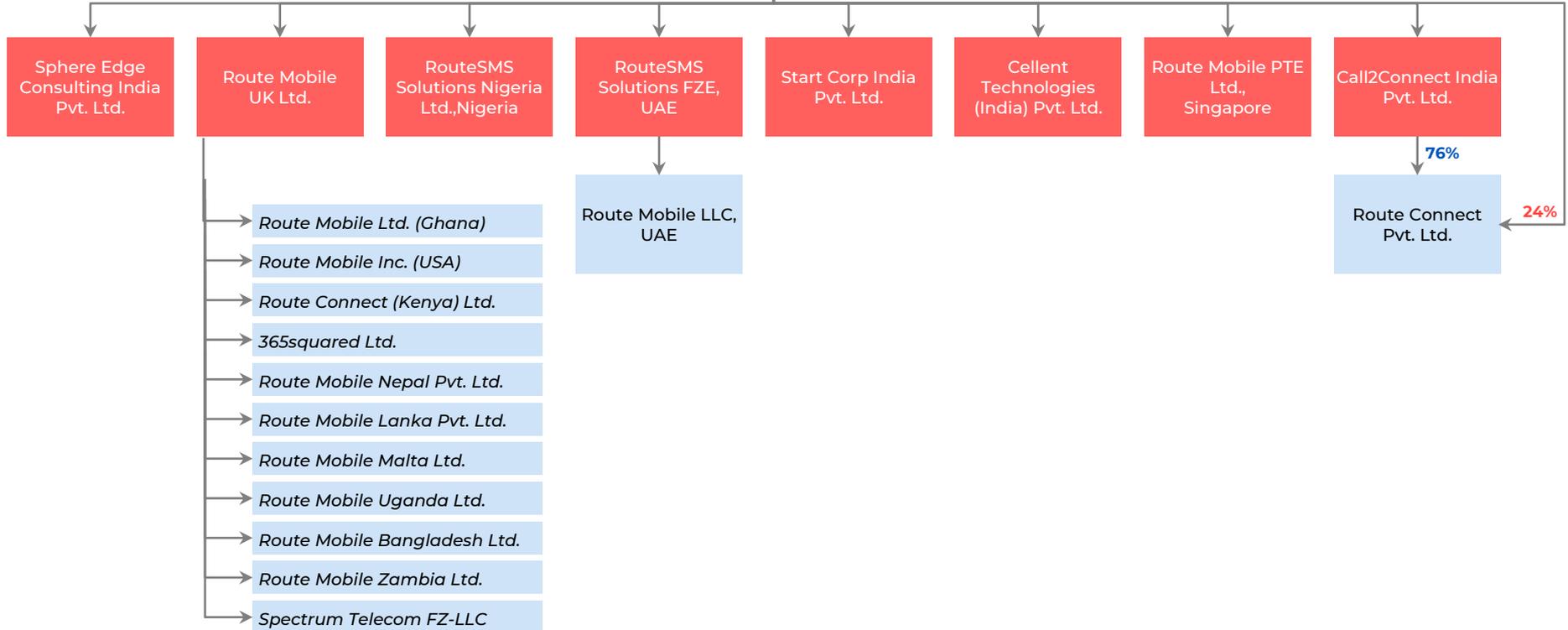


**Thank you**  
[investors@routemobile.com](mailto:investors@routemobile.com)



# Appendix

# Corporate Structure



Except for Route Mobile LLC, RouteSMS Solutions Zambia Ltd. and Route Mobile Ltd. Ghana, all others are wholly owned subsidiaries