

Route Mobile Limited

Quarterly Update
Q3 FY2021

January 28, 2021



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.

Business Overview



Company at Glance

Route Mobile is a leading Cloud Communication Platform provider, catering to enterprises, over-the-top (OTT) players and mobile network operators (MNO). Our range of enterprise communication services includes smart solutions in A2P Messaging, Voice, Email, and SMS Filtering, Analytics & Monetization.

Since its inception in 2004, Route Mobile has been enhancing mobile communications through technology upgrades and product innovations; meeting the needs of a diverse clientele across geographies. Our customizable, user-friendly, and effective solutions enable enterprises and mobile operators to deliver efficient services to their customers.



Incorporated in 2004 Mumbai, India



358 Employees⁽¹⁾



15+ locations across Africa, Asia Pacific, Europe, Middle East and North America



Customized omni-channel digital communication solution



6 Strategically Located Cloud Data Centers

2.9+ Billion messages in the month of December 31, 2020



23.5 Billion billable transactions in 9 months ended December 31, 2020



Full stack A2P Analytics and Firewall, SMSC and MMSC solution deployed for MNOs across the globe



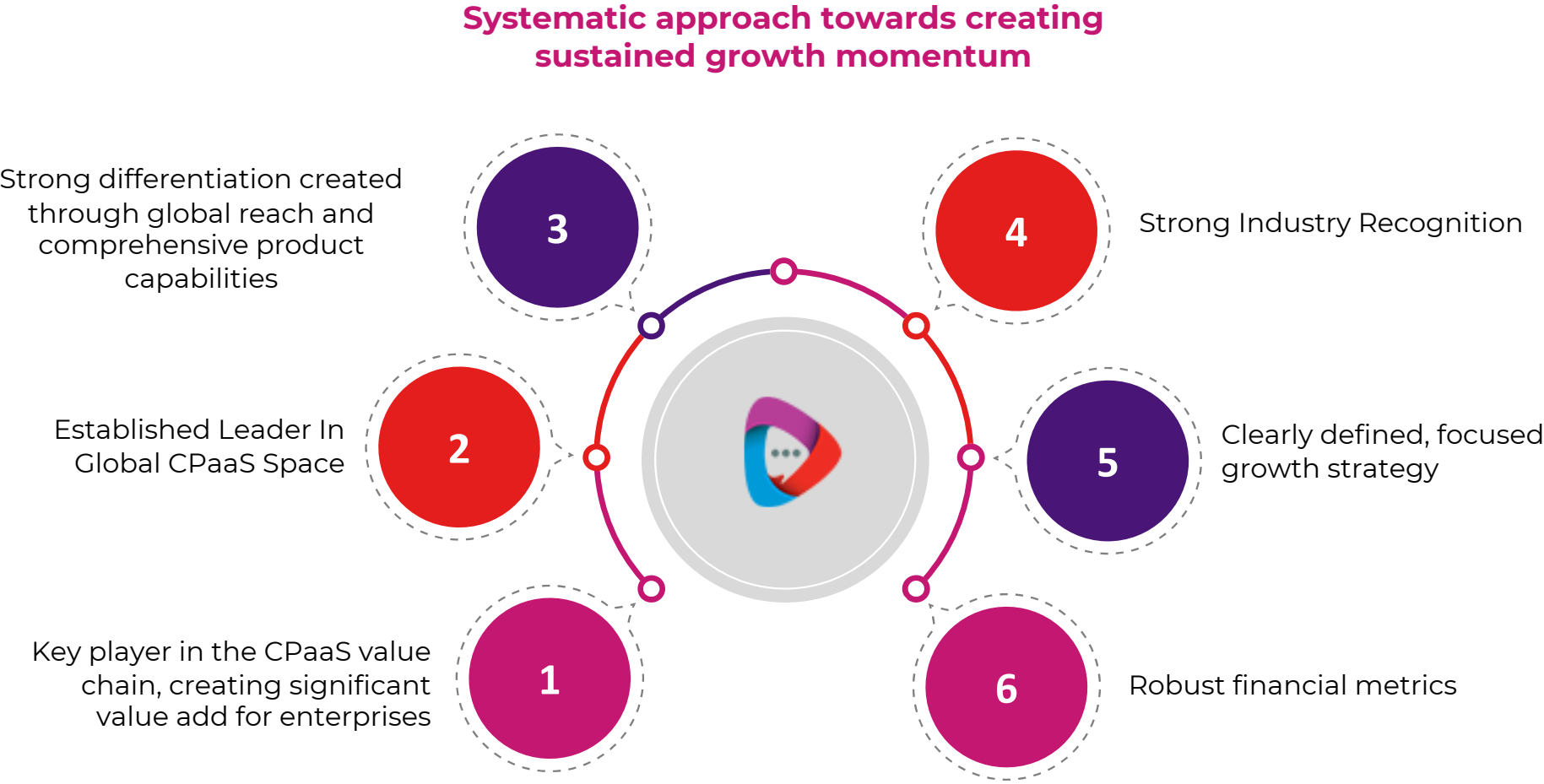
4 Short Message Service Centres deployed with MNOs in various geographies



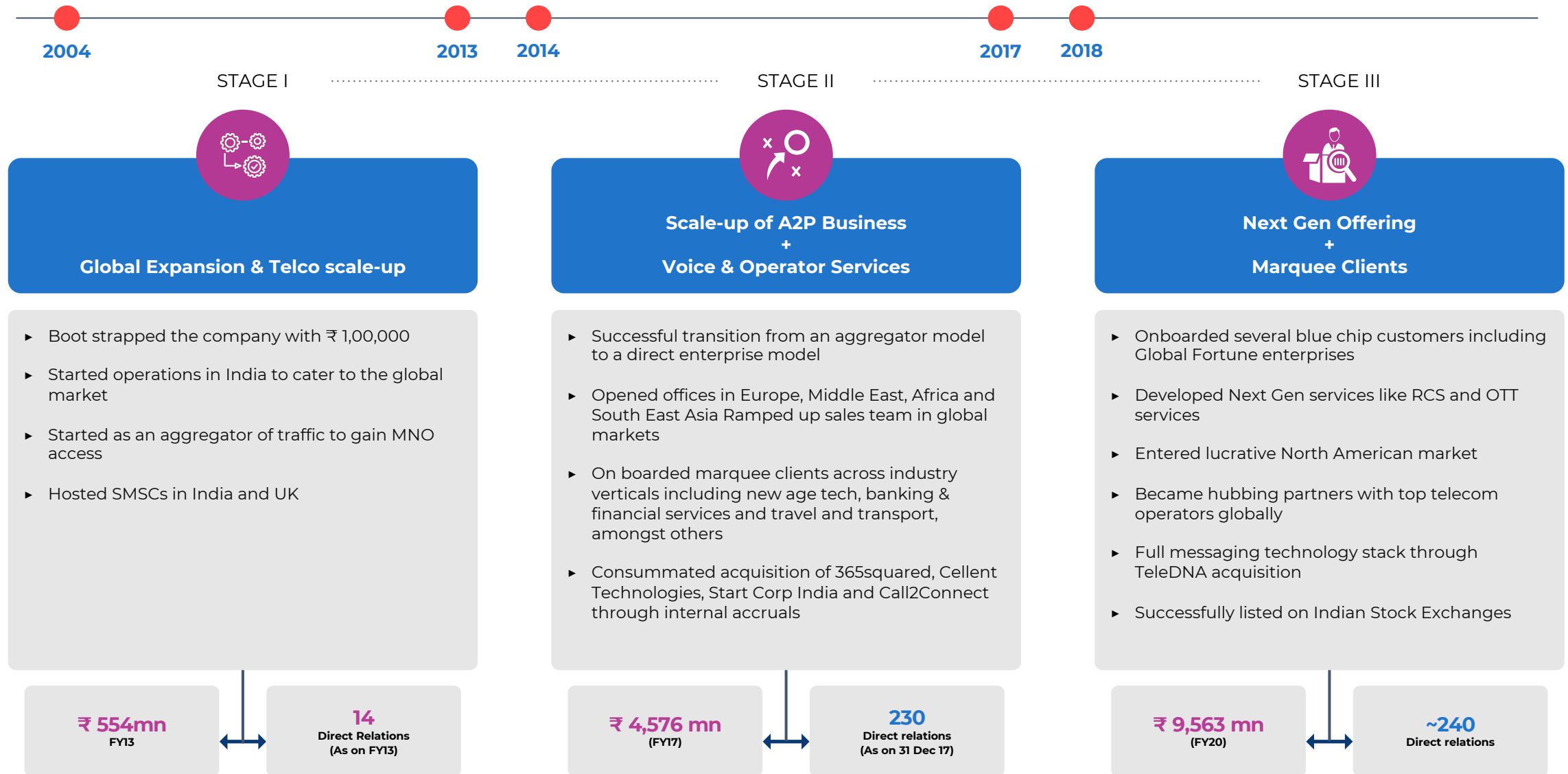
Super Network of 240+ Direct Connections as of December 31, 2020



(1) As on December 31, 2020



Systematic roadmap to create sustained growth momentum



Omni-Channel Digital Communication Platform

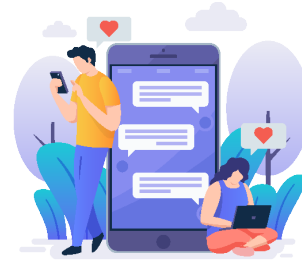
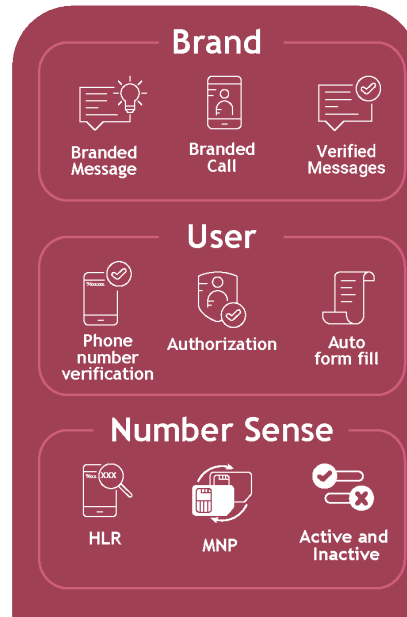
Route Mobile offers reliable, unified digital communication solutions that enable enterprises provide a superior customer experience globally



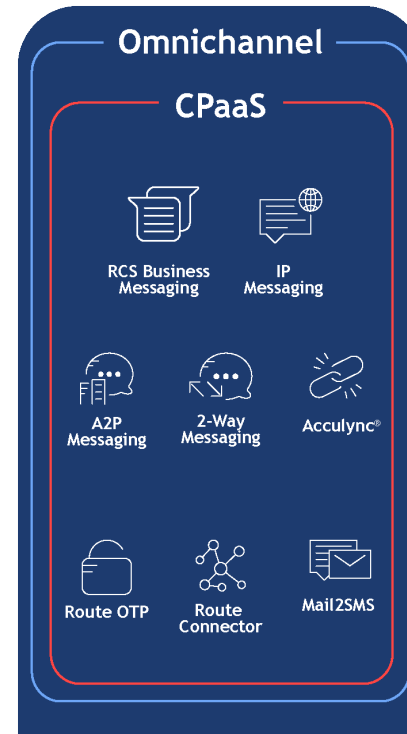
Operator



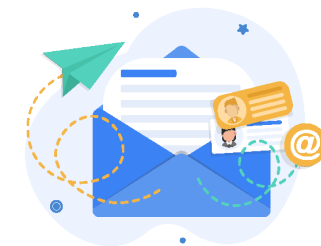
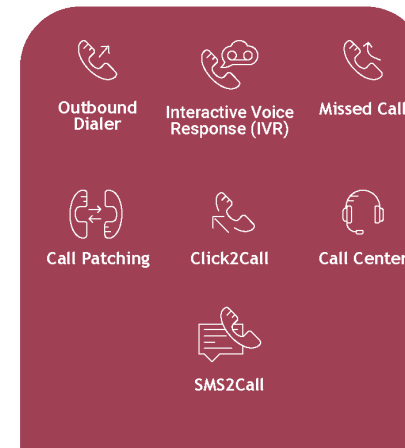
Identity



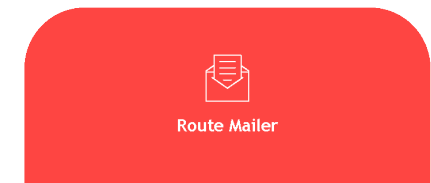
Messaging



Voice

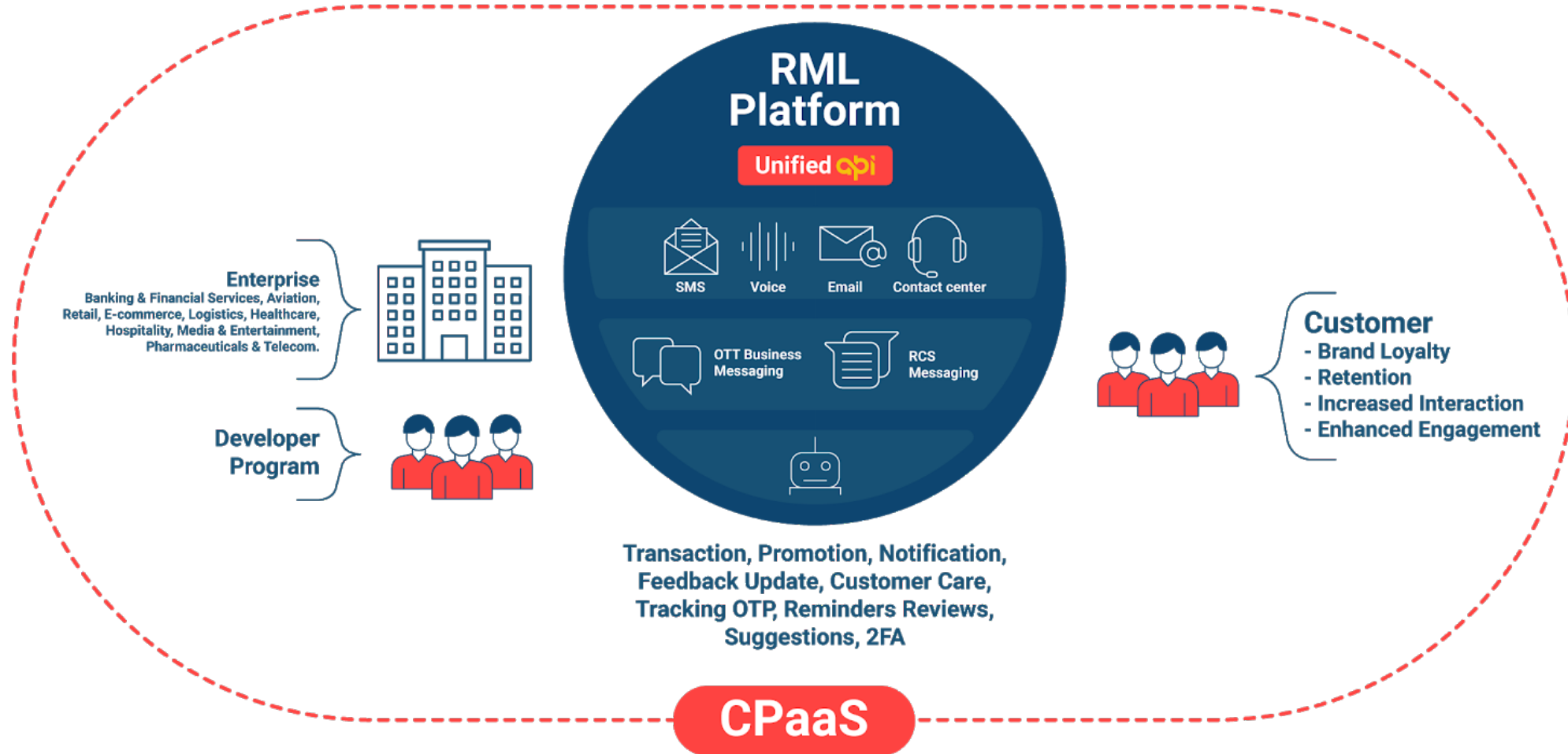


Email




Critical role in Digital Communication and Customer Experience Value Chain

Enabling Customer Communication Lifecycle








Route Mobile Is An Established Leader In Global CPaaS Space

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

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


Differentiation through Technology Expertise & Geographical Reach

	Capacity & Capability			Product & Positioning		
	Size of Operations	Experience in CPAAS	Geographical Reach	Service Innovation	Industry Coverage	Future Business Products
	●	●	●	●	●	●
	●	●	●	●	●	●
	●	●	●	●	●	●
	●	●	●	●	●	●
	●	●	●	●	●	●


High ● ● ● ● ● Low

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

Strong Recognition by Industry Experts



The only Asian company
covered in **Gartner's
Market Guide for
CPaaS**, October 2020



Identified as an
Established Leader in
**Juniper's CPaaS Deep
Dive Strategy &
Competition 2020-2025**




Ranked in Top 6 Tier 1 Vendors
in **A2P SMS Messaging as per
ROCCO Consulting report**
thrice



**Top 5 fastest growing
Indian Companies in
UK** by 'India Meets
Britain' Tracker 2018,
2019 & 2020



Awarded at the 19th ICSI
National Award for
**Corporate Governance
with "Best Governed
Company"** (Emerging
Category) - 2020



Listed in Fortune
Magazine's - **The Next
500 India's Top Midsize
Companies - 2020**

Key Growth Drivers and Future Growth Strategy

Key Growth Drivers

Strong industry tailwinds

- ▶ Accelerated adoption of digital communication solutions by enterprises
- ▶ Multiplying use cases for digital communication solutions

Omni-channel platform capabilities

- ▶ Foresight and preparedness of leadership team to create omni-channel communication capabilities within the platform

Flexible engagement model

- ▶ Extensive experience and capability of technology and support teams to offer on-premise / over the cloud / managed service / bespoke development solutions to enterprises, depending upon the requirements

Sustainable growth
momentum

Growth Strategy

Farm existing customer relations

- ▶ Increase share of wallet from existing customers by serving them in larger number of destinations, and up-sell / cross-sell new product offerings

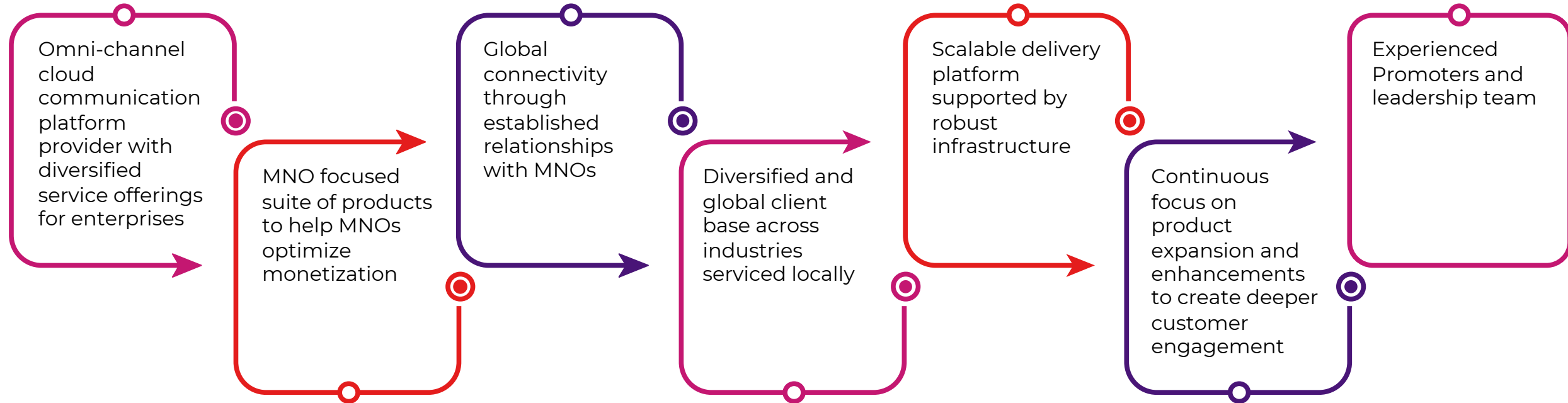
Focus on Creating the "CXPaaS" layer

- ▶ Organically and/or inorganically augment existing CPaaS platform with capabilities to offer customer experience management solutions to enterprises and enhance value add

Land and Grab

- ▶ Continuously focus on on-boarding large global enterprises
- ▶ Enter new geographies and strategically expand market share in new regions, organically and/or inorganically

Investment Proposition - Competitive advantage



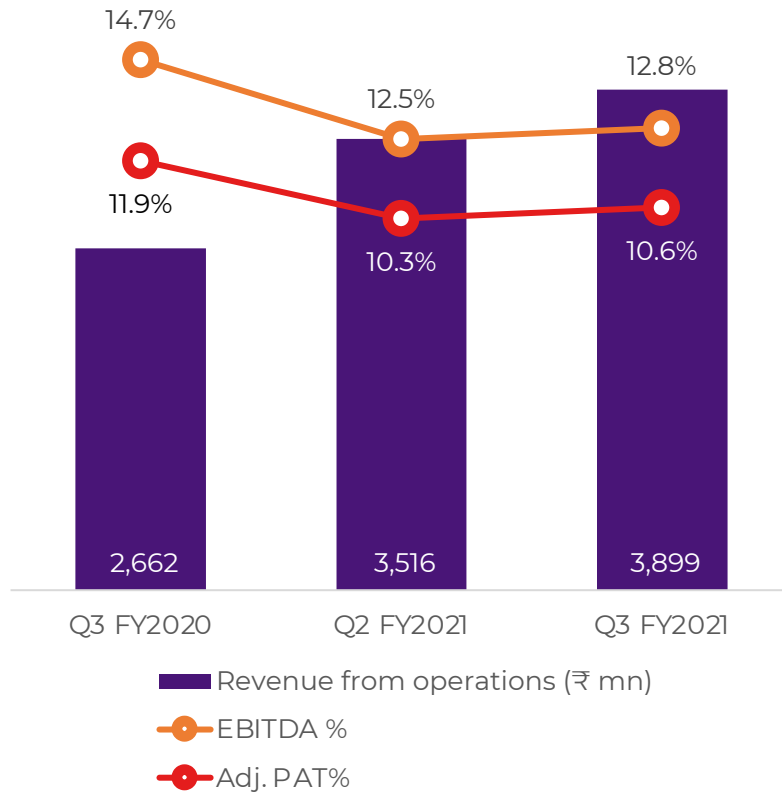
Financial Highlights

- *Q3 FY2021 and 9m FY2021*



Q3 FY2021 - Snapshot

Quarterly revenue and profitability



Revenue Growth

Y-o-Y: **46%**

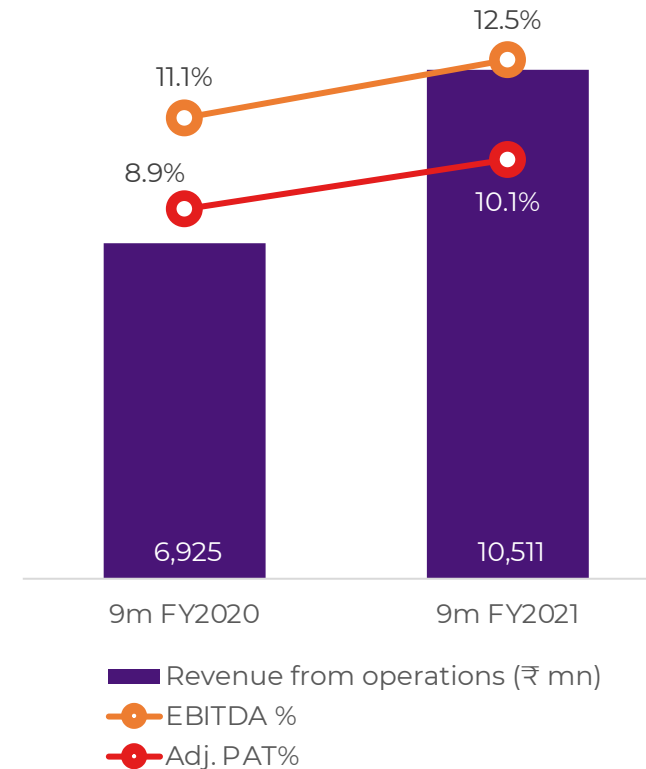
Sequential: **11%**

Adj. PAT Growth

Y-o-Y: **30%**

Sequential: **14%**

9 months ended December 31, 2020 revenue and profitability



Revenue Growth

Y-o-Y: **52%**

Adj. PAT Growth

Y-o-Y: **72%**

Revenue from operations include net gain/(loss) related to foreign exchange

PAT has been adjusted for non-cash amortization resulting from the intangible assets added on the balance sheet as a result of purchase price allocation for acquisitions and for one-time expenses (incurred in Q3 FY2020) related to payments made under Sabka Vikas Scheme

For the Quarter ended December 31, 2020 (Q3 FY2021)

- Closed Q3 FY2021 with revenue from operations⁽¹⁾ of **₹3,899mn** compared to **₹3,516mn** in Q2 FY2021 and **₹2,662mn** in Q3 FY2020
 - Sequential growth of **11%** and Y-o-Y growth of **46%** in revenue
- Recorded EBITDA of **₹498mn** in Q3 FY2021 compared to **₹441mn** in Q2 FY2021 and **₹390mn** in Q3 FY2020
 - Sequential growth of **13%** and Y-o-Y growth of **28%** in EBITDA
 - EBITDA margin of **12.8%, 12.5%** and **14.7%** in Q3 FY2021, Q2 FY2021 and Q3 FY2020 respectively
- Recorded Profit After Tax of **₹376mn** in Q3 FY2021 compared to **₹327mn** in Q2 FY2021 and **₹172mn** in Q3 FY2020
 - Sequential growth of **15%** and Y-o-Y growth of **119%** in Profit After Tax
- Adjusted Profit After Tax of **₹416mn** in Q3 FY2021 compared to **₹364mn** in Q2 FY2021 and **₹320mn** in Q3 FY2020
 - Adjusted for non-cash amortization resulting from the intangible assets added on the balance sheet as a result of purchase price allocation for acquisitions and for one-time expenses (incurred in Q3 FY2020) related to payments made under Sabka Vikas Scheme
 - Adjusted Profit After Tax margin of **10.6%, 10.3%** and **11.9%** in Q3 FY2021, Q2 FY2021 and Q3 FY2020 respectively

Revenue from operations include net gain/(loss) related to foreign exchange

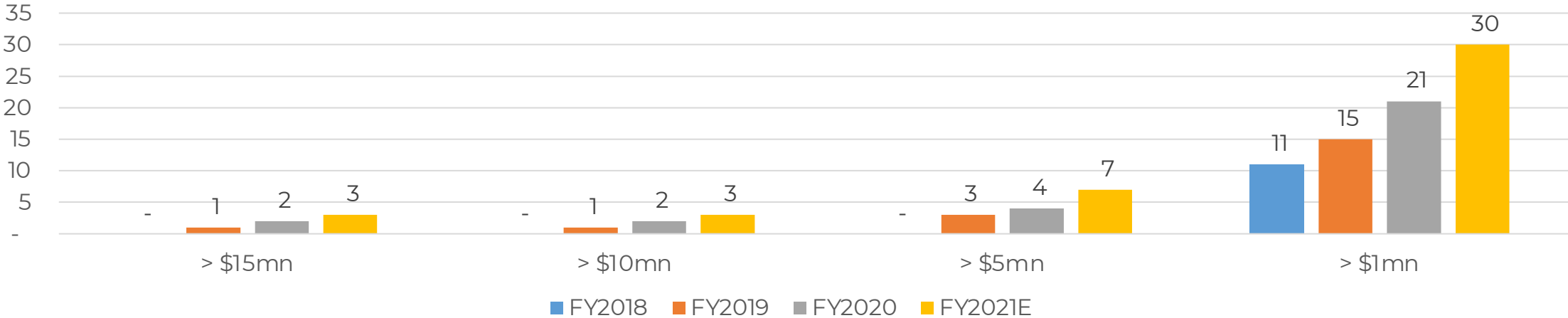
For the 9 months ended December 31, 2020 (9m FY2021)

- Closed 9m FY2021 with total revenue from operations of **₹10,511mn** compared to **₹6,925mn** in 9m FY2020
 - Y-o-Y growth of **52%** in revenue
- Recorded EBITDA of **₹1,315mn** in 9m FY2021 compared to **₹769mn** in 9m FY2020
 - Y-o-Y growth of **71%** in EBITDA
 - EBITDA margin of **12.5%, 11.1%** in 9m FY2021 and 9m FY2020 respectively
- Recorded Profit After Tax of **₹973mn** in 9m FY2021 compared to **₹434mn** in 9m FY2020
 - Y-o-Y growth of **124%** in Profit After Tax
- Adjusted Profit After Tax of **₹1,074mn** in 9m FY2021 compared to **₹626mn** in 9m FY2020
 - Adjusted for non-cash amortization resulting from the intangible assets added on the balance sheet as a result of purchase price allocation for acquisitions and for one-time expenses (incurred in Q3 FY2020) related to payments made under Sabka Vikas Scheme
 - Adjusted Profit After Tax margin of **10.1%, 8.9%** in 9m FY2021 and 9m FY2020

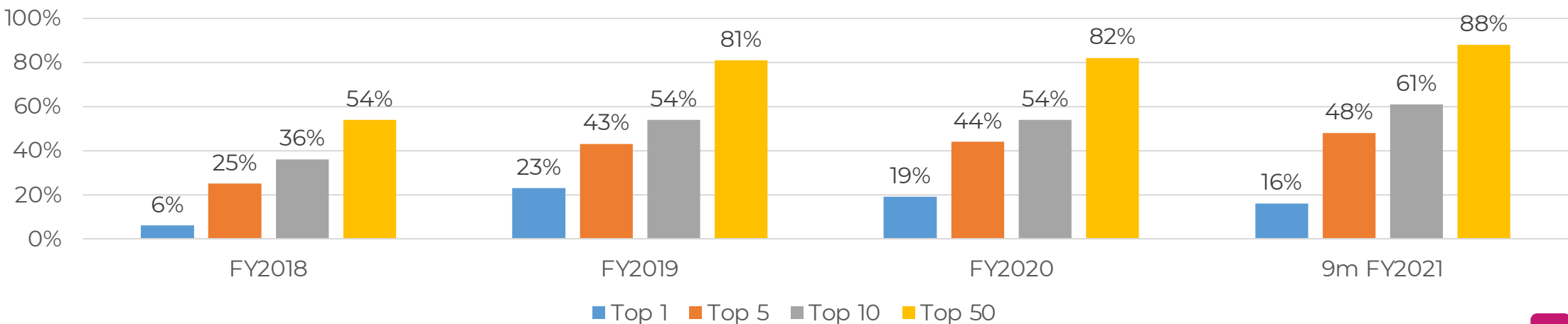
Revenue from operations include net gain/(loss) related to foreign exchange

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

Clients by Account Size

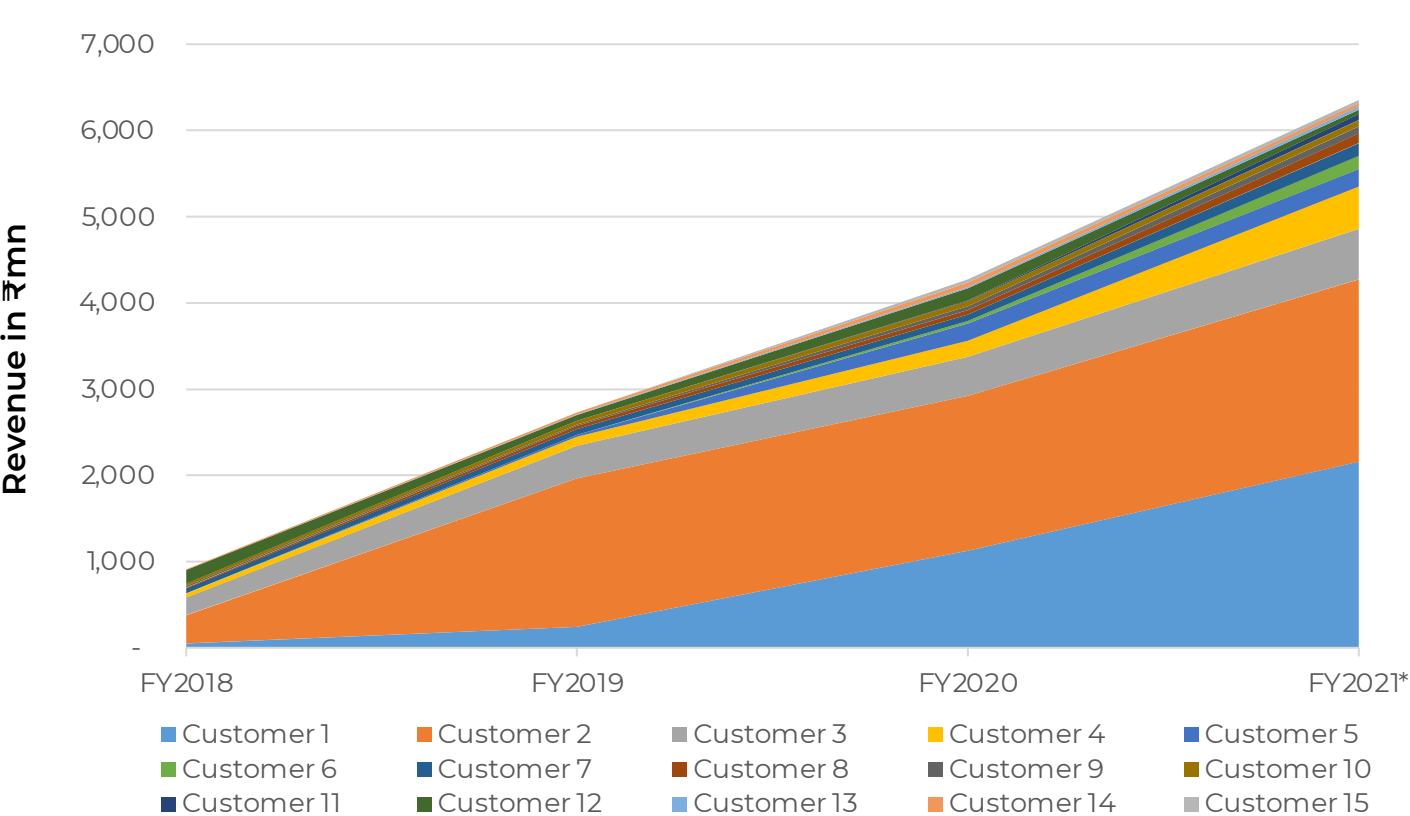


Client Concentration



Enterprise customers contributing to growth

Growth trend witnessed in top 15 enterprise customers (based on 9m ended December 31, 2020 revenue)



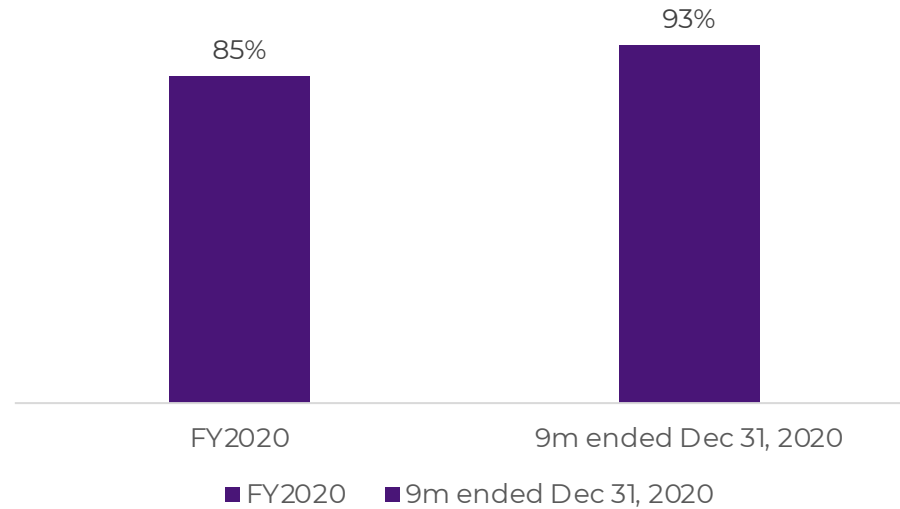
Customer	CAGR (FY2018-FY2021*)
Customer 1	248%
Customer 2	86%
Customer 3	43%
Customer 4	113%
Customer 5	NA
Customer 6	479%
Customer 7	40%
Customer 8	102%
Customer 9	64%
Customer 10	38%
Customer 11	NA
Customer 12	-32%
Customer 13	379%
Customer 14	69%
Customer 15	NA

- ▶ 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

* FY2021 revenue is based on annualized 9m ended Dec 31, 2020 revenue from respective customers

Strong recurring revenue

59% growth in recurring revenue in 9m ended Dec 31, 2020 (annualized)



Net revenue⁽¹⁾ retention of
142%

Zero Churn in top 50
customers in 9 months ended
December 31, 2020

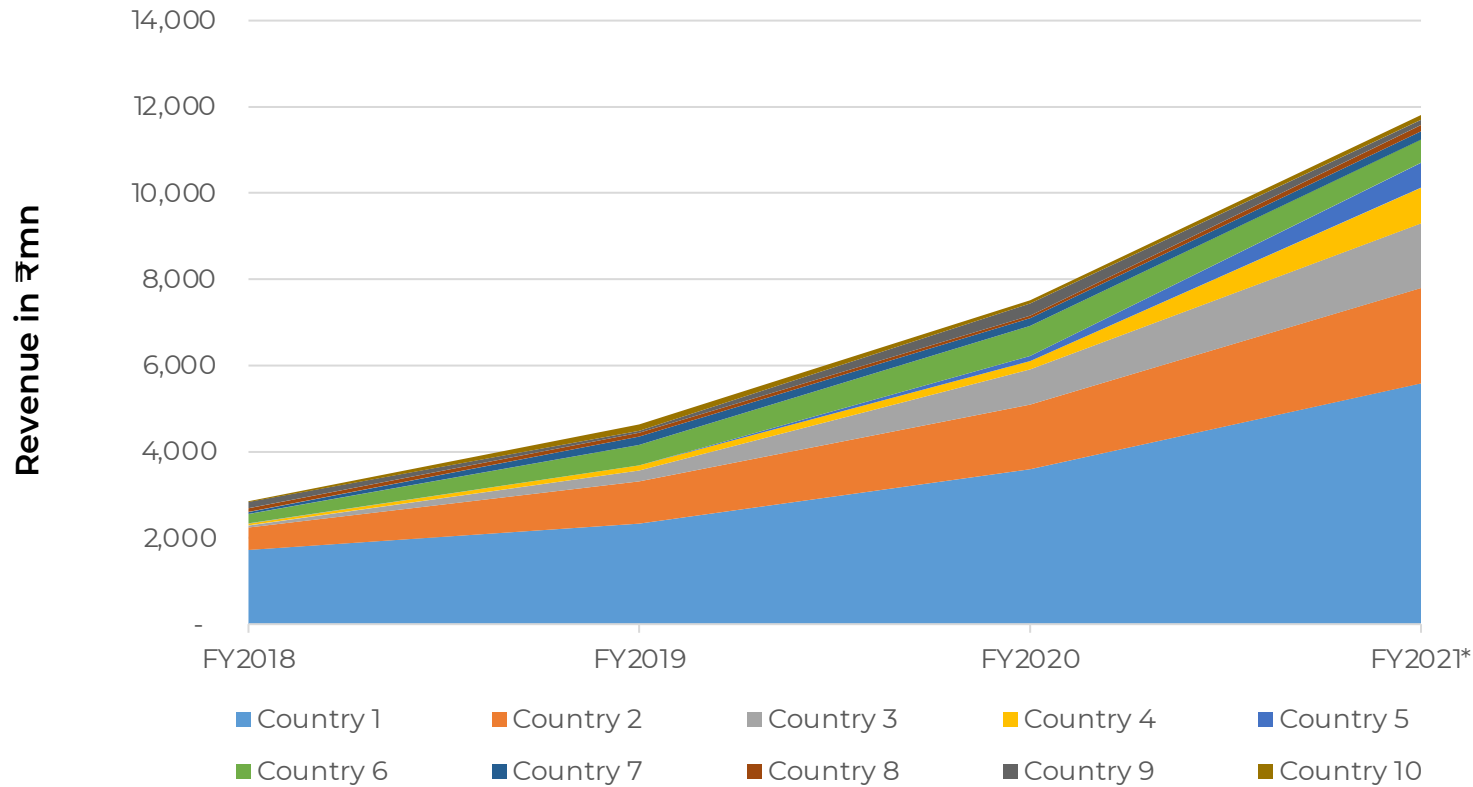
Deep Customer engagement driving high recurring revenues

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 – December 2020 is a recurring customer for 9 months ended December 31, 2020

(1) Net revenue retention calculated based on comparison of FY2020 revenue with annualized 9 months ended Dec 31, 2020 revenue for top 150 customers (accounting for 96% of FY2020 revenue)

Top countries (in terms of revenue contribution)

Top 10 countries (as per 9m FY2021 revenue), in terms of A2P revenue generated by termination of communication



Country	CAGR (FY2018-FY2021*)
Country 1 (APAC)	48%
Country 2 (MEA)	62%
Country 3 (APAC)	209%
Country 4 (APAC)	164%
Country 5 (APAC)	562%
Country 6 (MEA)	36%
Country 7 (LatAm)	58%
Country 8 (APAC)	19%
Country 9 (MEA)	-6%
Country 10 (MEA)	100%

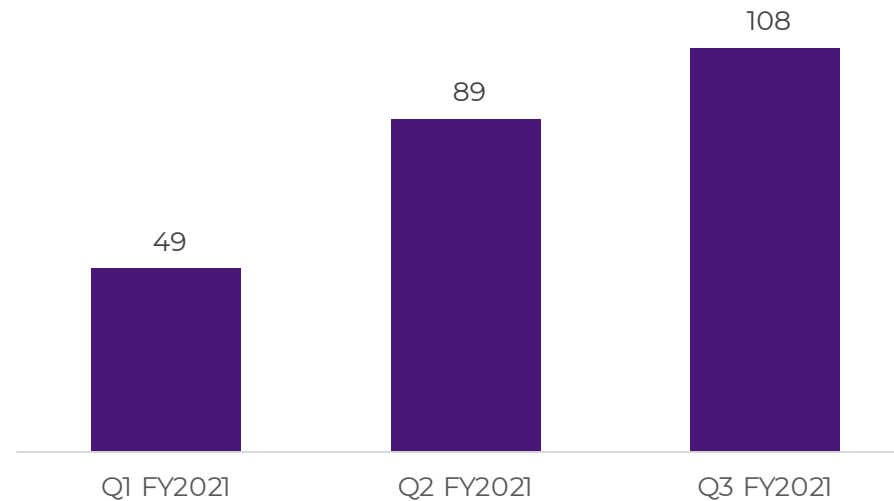
- ▶ Geographically diversified business
- ▶ Domination in emerging markets – driven by deep MNO connects and deployment of firewall solutions for some of the MNOs in those countries
- ▶ Top 10 countries contributed 91% of the total A2P revenue in 9m FY2021

** FY2021 revenue is based on annualized 9m FY2021 revenue from respective countries*

New Product Revenue Momentum

- Pandemic has led to accelerated adoption of next generation messaging channels, including enterprise voice solutions, IP based messaging and unified communication solutions, amongst others, by enterprises

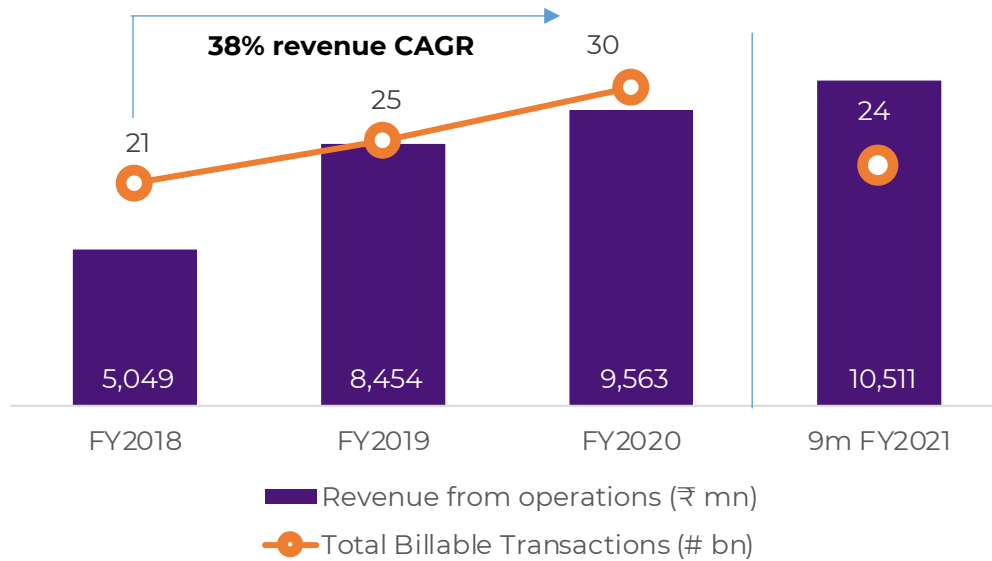
Quarterly New Product Sales (₹ mn)



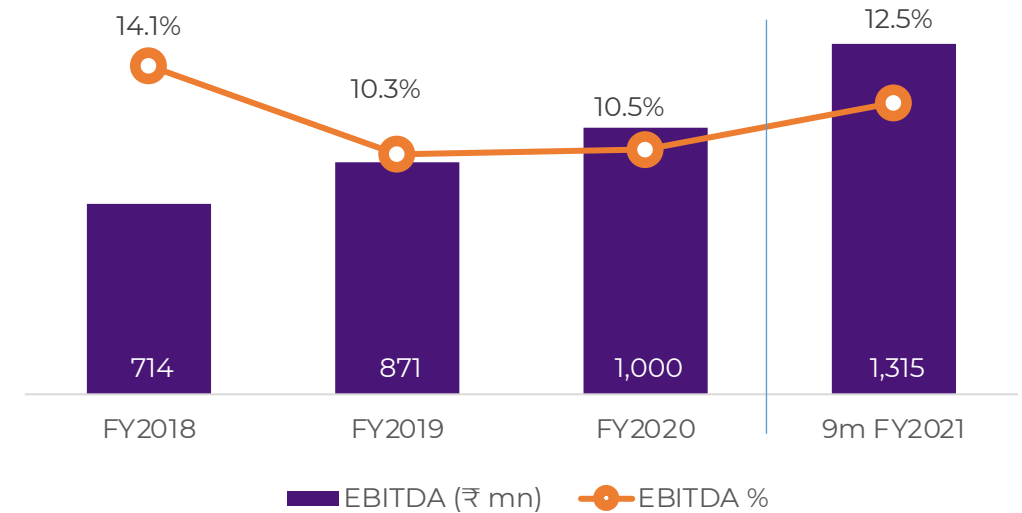
- Next generation products in the pipeline and to be launched soon include **MIDaaS** (Mobile Identity as a Service), **GBM** (Google Business Messaging) amongst others
- 67 new customer added over Q3 FY2021

Snapshot – 9 months ended December 31, 2020

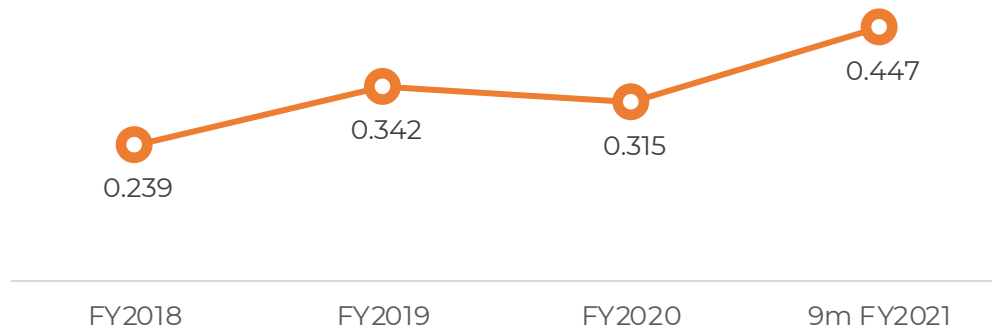
Revenue and Total Billable Transactions



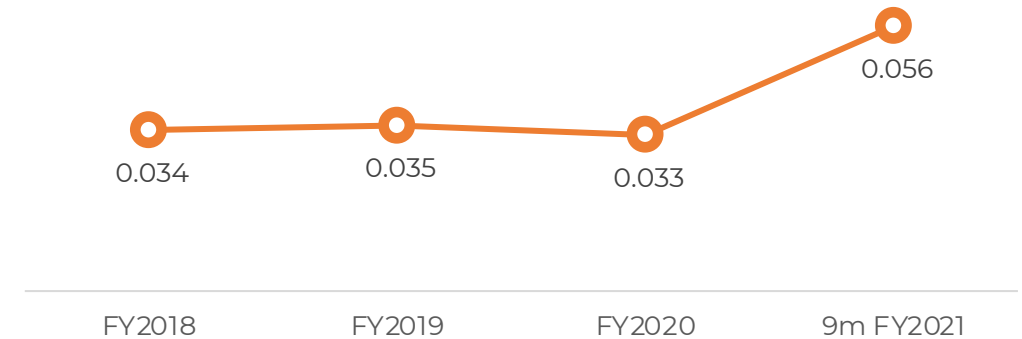
EBITDA and EBITDA Margin



Revenue (in ₹) per transaction

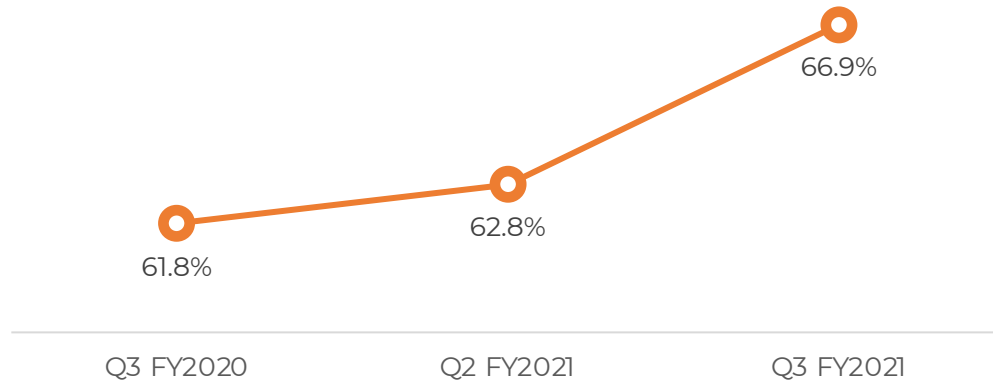


EBITDA (in ₹) per transaction

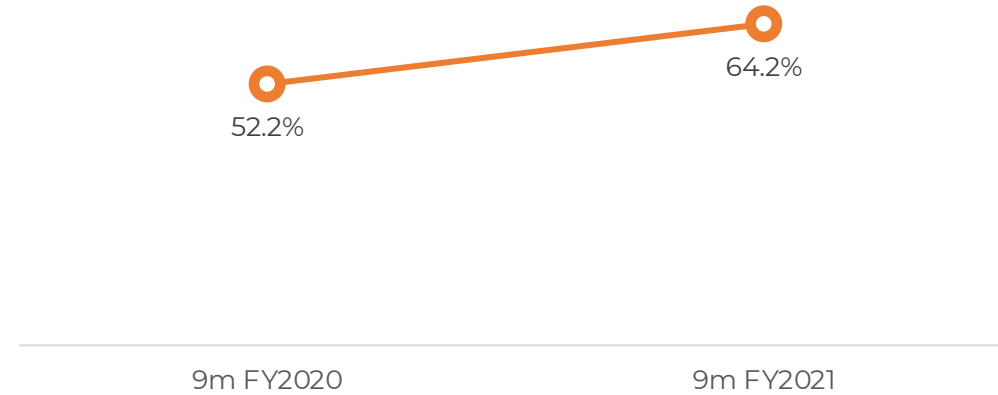


Operating Leverage

EBITDA as % of Gross Profit – Quarterly Analysis



EBITDA as % of Gross Profit – 9 month period analysis



- ▶ EBITDA/Gross profit shows margin excluding MNO charges
- ▶ Volume growth does not require proportionate increase in operating expenses

Income Statement

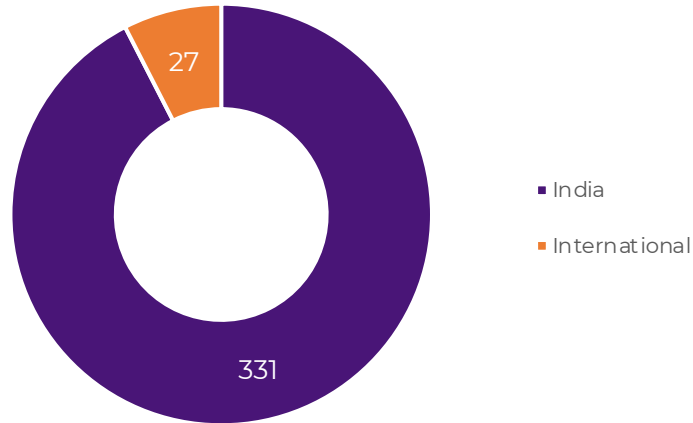
Profit & Loss Statement (in INR mn)	Quarter ended			Y-o-Y growth	9 months ended		Year ended
	Dec 31, 2020	Sep 30, 2020	Dec 31, 2019		Dec 31, 2020	Dec 31, 2019	Mar 31, 2020
Total revenue from operations⁽¹⁾	3,899	3,516	2,662	46%	10,511	6,925	9,563
Expenses							
-Purchases of messaging services	3,155	2,813	2,030	55%	8,462	5,454	7,642
-Employee benefits expense	169	146	143	18%	445	439	582
-Other expenses	78	116	99	-22%	289	264	339
EBITDA	498	441	390	28%	1,315	769	1,000
Finance costs	4	9	12	-64%	23	34	49
Depreciation and amortisation expense	65	68	59	10%	194	165	227
Other income (excl. gain/loss rel. to foreign exchange)	36	29	18	100%	92	97	118
Profit before tax (before exceptional items)	464	394	337	38%	1,191	667	843
Exceptional items	-	-	148	-100%	-	148	149
Profit before tax	464	394	189	146%	1,191	519	694
Tax expense	88	66	17	413%	218	85	112
Profit After Tax (as reported)	376	327	172	119%	973	434	582
Amortization resulting from intangibles added on account purchase price allocation for acquisitions and exceptional items	40	37	44	-10%	101	88	112
Adjusted Profit After Tax⁽²⁾	416	364	320	30%	1,074	626	799

(1) Revenue from operations includes gain/(loss) related to foreign exchange

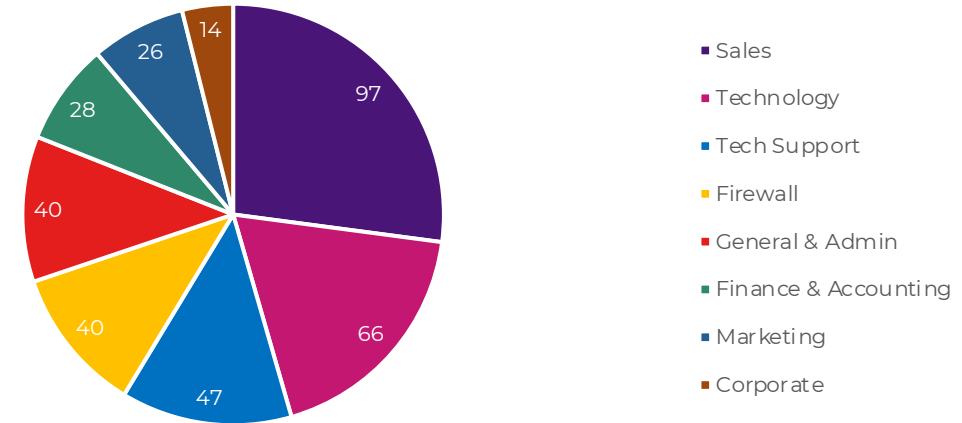
(2) Adjusted profit calculated as profit after tax + exceptional items (excluding tax shield) + amortization resulting from intangibles added on account of acquisitions

Human Resource Capital

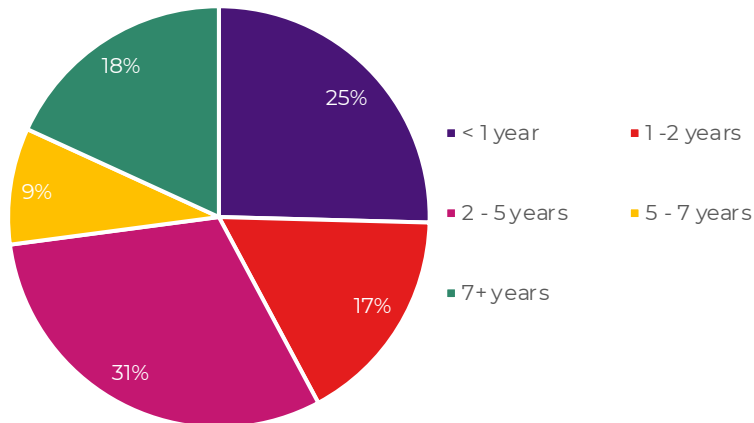
Location wise break-up¹



Function wise break-up¹



Tenure with Route Mobile



Key Developments

Key additions at Leadership positions

- ▶ Chief Business Officer to accelerate cross sell and upsell of products (India)
 - ▶ Head of Governance and Program Office – 365squared (Malta)
 - ▶ Vice President, Operations – 365squared (India)
 - ▶ Sad demise of Rory Kyte, CEO – 365squared. Andy Folwell, COO has taken over the responsibilities
- Recruitment in 9 months ended December 31, 2020 – 77 employees (including 18 employees on-boarded as part of acquisition of business from TeleDNA)

	FY2020	9m ended Dec 31, 2020*
Attrition	19%	8%

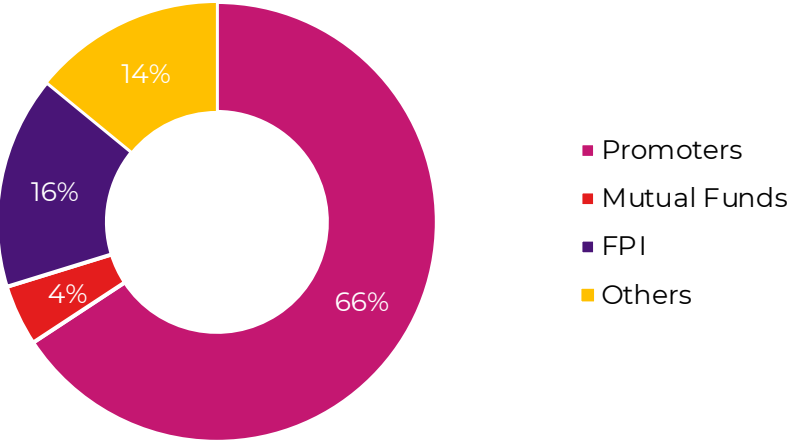
¹As on December 31, 2020

* annualized; excluding Call2Connect





Annexure



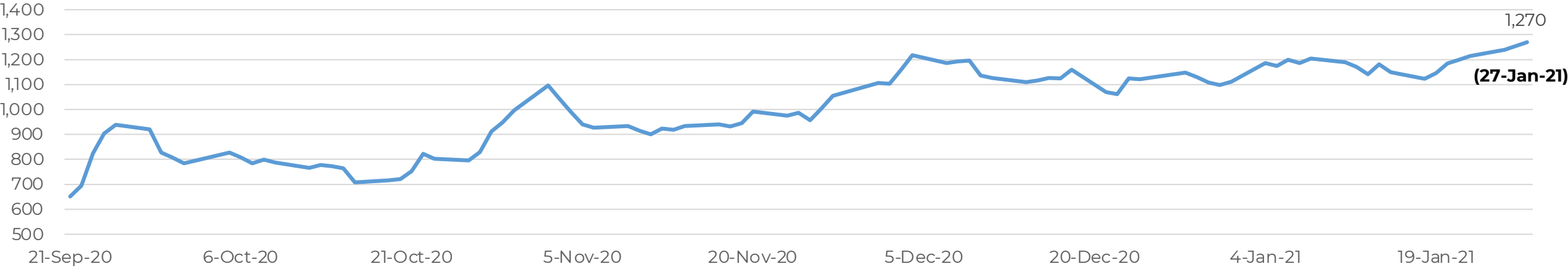
Shareholding Pattern (as on December 31, 2020)



Stock Data (as on January 27, 2021) (Source – NSE)

	Market Cap (₹ mn)	₹ 73,406 mn
	Stock Price	₹ 1,269.65
	52 Week (High / Low)	₹ 1,305.00/625.00
	NSE / BSE - Symbol	ROUTE / 543228
	No. of Shares Outstanding	57,357,142
	Average Daily Volume (3Months) - NSE	677,547

Stock Performance (up to January 27, 2021) (Source – NSE)



Leadership Team



Andy Folwell
COO - 365squared



Elsa Shibu
Vice President & HR Head



Gautam Badalia
Chief Strategy Officer (CSO)



Grier Graham
VP Americas



Milind Pathak
Chief Business Officer



Mujahid Rupani
Group CTO - Route Mobile and
365squared
(Chief Technical Officer)



Rahul Pandey
Chief Credit Officer



Ramesh Helaiya
CTO



Rathindra Das
Head - Legal & Compliance, CS



Sammy Mamdani
Executive Vice President-
Head of Operations



Sharad Kumar Thukral
Executive Vice President-
Middle East



Suresh Jankar
Chief Financial Officer



Tushar Agnihotri
Executive Vice President-India & APAC

Board of Directors



Sandip Gupta
Chairman & Non-Executive Director



Rajdip Gupta
Managing Director & Group CEO



Chandrakant Gupta
Non-Executive Director



Arun Gupta
Independent Director



Nimesh Salot
Independent Director



Ramachandran Sivathanu
Independent Director



Sudha Navandar
Independent Director

Thank You

