

Ref No: RML/2020-21/16

Date: October 28, 2020

To,

The Manager

Listing Department

BSE Limited

Phiroze Jeejeebhoy Towers,

Dalal Street, Fort,

Mumbai 400 001

Scrip Code: 543228

The Manager

Listing Department

National Stock Exchange of India Limited

Exchange Plaza, Plot No. C/1, Block G,

Bandra Kurla Complex, Bandra (East),

Mumbai 400 051

NSE Symbol: ROUTE

Dear Sir/Madam,

Sub: Fact Sheet – Consolidated Financial Data – for the quarter and half year ended September 30, 2020

Please find enclosed fact sheet of the Consolidated Financial Data for the quarter and half year ended September 30, 2020. The Company has scheduled an earnings conference call today i.e. October 28, 2020 at 5.00 PM IST. During such call, the Management will comment on the financial results for the quarter and half year ended September 30, 2020 as well as on the business outlook.

The details of the said earnings conference call are available on the website of the Company.

You are requested to take the abovementioned information on your record.

Thanking you,

Yours faithfully,

For Route Mobile Limited



Rathindra Das

Head Legal, Company Secretary & Compliance Officer



Encl: as above

Quarterly Update

- Q2 FY2021

October 28, 2020

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.

Snapshot

₹12,006mn
LTM¹ Revenue

₹1,533mn
LTM EBITDA

₹917mn
LTM PAT

*Profitable since first
year of operation*

₹3,935mn
Net Cash²

145%
H1 FY2021
CFO/EBITDA

₹47,180mn
Market
Capitalisation³

2.77bn
Transactions in
September 2020



Scalable omni-channel
CPaaS platform deepening
customer engagement



Serving 9 of the 20 most
valuable Global Tech
Brands⁴



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%

¹LTM – last 12 months, ended September 30, 2020 | ² As on September 30, 2020) | ³As of October 27, 2020 (source: BSE India)

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

STRONG INDUSTRY RECOGNITION



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 (₹ mn) ○ EBITDA Margin (%) ● Adj. PAT %

- 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**

For the Quarter ended September 30, 2020 (Q2 FY2021)

- Closed Q2 FY2021 with total revenue of **₹3,545mn** compared to **₹3,123mn** in Q1 FY2021 and **₹2,014mn** in Q2 FY2020
 - *Sequential growth of 14% and Y-o-Y growth of 76% in revenue*
- Recorded EBITDA of **₹470mn** in Q2 FY2021 compared to **₹404mn** in Q1 FY2021 and **₹221mn** in Q2 FY2020
 - *Sequential growth of 16% and Y-o-Y growth of 113% in EBITDA*
 - *EBITDA margin of 13.3%, 12.9% and 11.0% in Q2 FY2021, Q1 FY2021 and Q2 FY2020 respectively*
- Recorded Profit After Tax of **₹327mn** in Q2 FY2021 compared to **₹269mn** in Q1 FY2021 and **₹130mn** in Q2 FY2020
 - *Sequential growth of 22% and Y-o-Y growth of 152% in Profit After Tax*
- Adjusted Profit After Tax of **₹364mn** in Q2 FY2021 compared to **₹296mn** in Q1 FY2021 and **₹155mn** in Q2 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*
 - *Adjusted Profit After Tax margin of 10.3%, 9.5% and 7.7% in Q2 FY2021, Q1 FY2021 and Q2 FY2020 respectively*

For the Half Year ended September 30, 2020 (H1 FY2021)

- Closed H1 FY2021 with total revenue of **₹6,668mn** compared to **₹4,343mn** in H1 FY2020
 - *Y-o-Y growth of 54% in revenue*
- Recorded EBITDA of **₹874mn** in H1 FY2021 compared to **₹459mn** in H1 FY2020
 - *Y-o-Y growth of 90% in EBITDA*
 - *EBITDA margin of 13.1%, 10.6% in H1 FY2021 and H1 FY2020 respectively*
- Recorded Profit After Tax of **₹597mn** in H1 FY2021 compared to **₹262mn** in H1 FY2020
 - *Y-o-Y growth of 128% in Profit After Tax*
- Adjusted Profit After Tax of **₹661mn** in H1 FY2021 compared to **₹312mn** in H1 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*
 - *Adjusted Profit After Tax margin of 9.9%, 7.2% in H1 FY2021 and H1 FY2020*

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

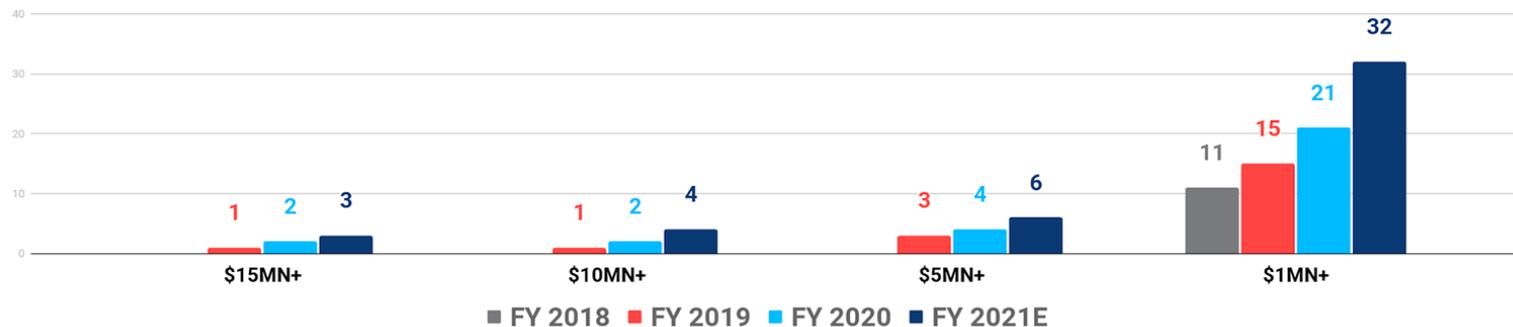
Clearly chalked out inorganic strategy

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

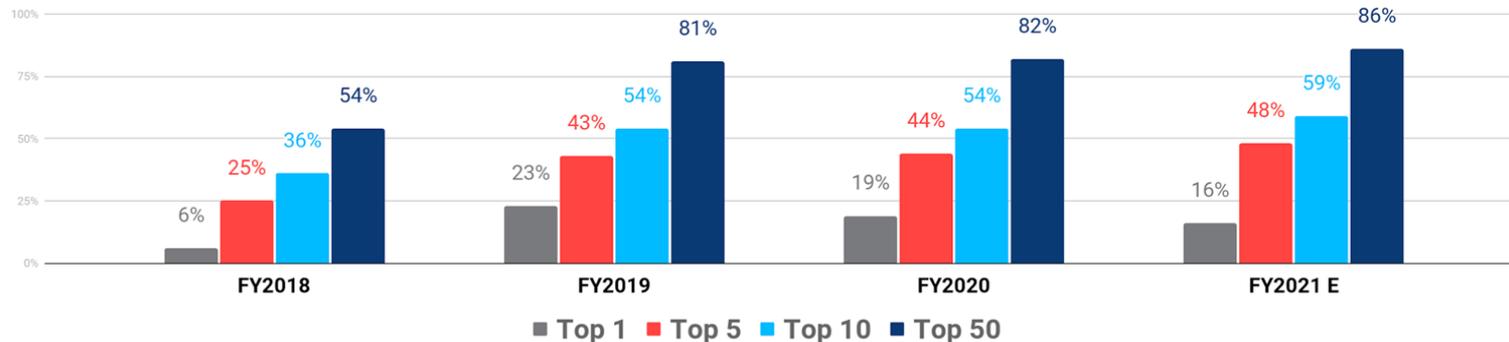
Consolidation/New Geography: land and expand strategy through inorganic route

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

Clients By Account Size

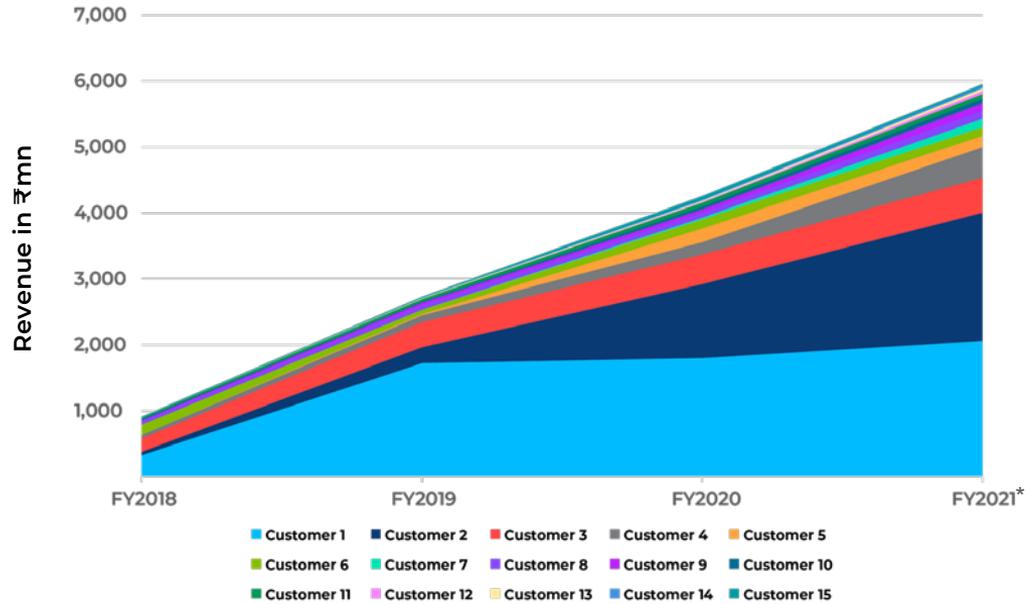


Client Concentration



Enterprise customers contributing to growth

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



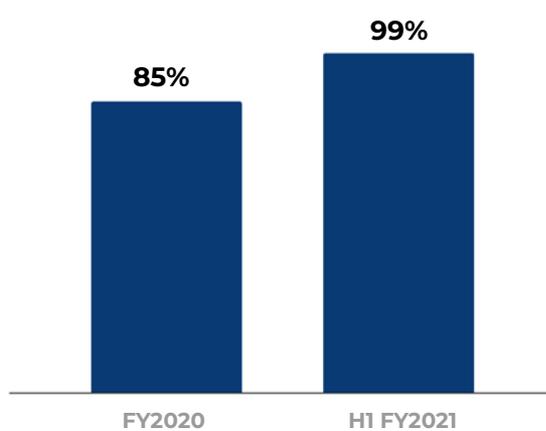
- Dedicated enterprise sales team focused on on-boarding large enterprise customers
- Key accounts management team focused on deepening relationship with key customers and growing revenue contribution from the key customers

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)



■ Recurring revenue as % of total revenue

**Net revenue⁽¹⁾
retention of 139%**

Deep Customer engagement driving high recurring revenues

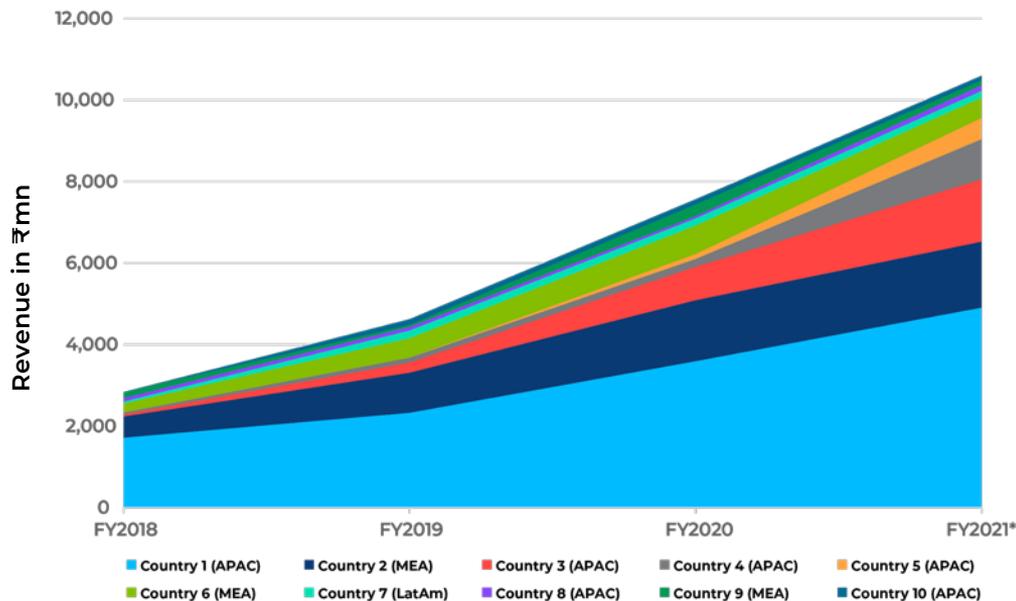
Recurring customers defined as customers that have been billed in each of the months over the respective period. For instance, a customer billed each month over April – September 2020 is a recurring customer for H1 FY2021

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



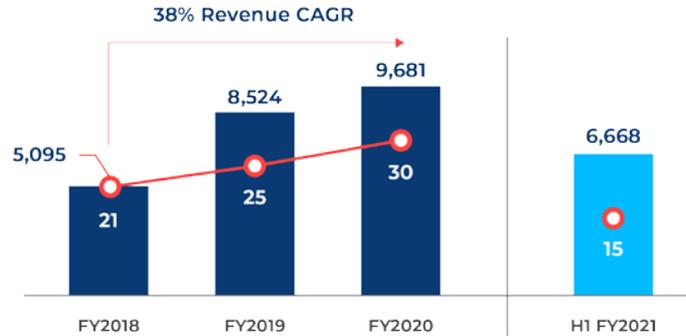
- Geographically diversified business
- Domination in emerging markets – driven by deep MNO connects and deployment of firewall solutions for some of the MNOs in those countries
- Top 10 countries contributed 87% of the total A2P revenue in H1 FY2021

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

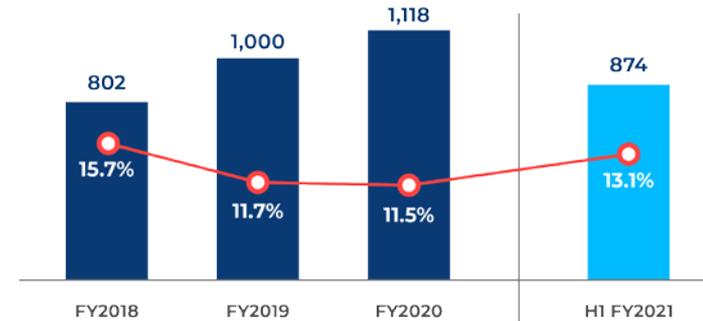


■ Revenue (₹ mn) ● Total Billable Transactions (Bn)

Revenue Per Transaction (in ₹)



EBITDA and EBITDA Margin



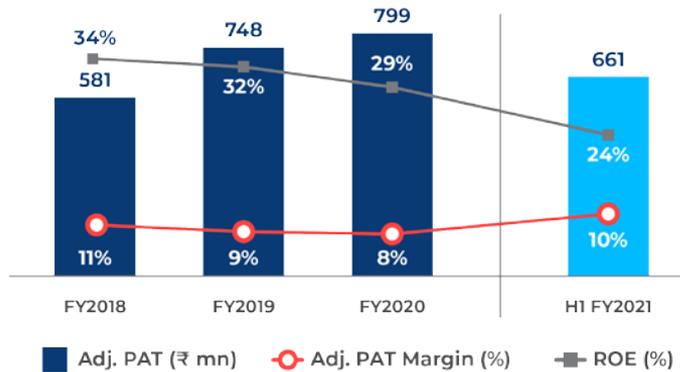
■ EBITDA (₹ Mn) ● EBITDA Margin (%)

EBITDA per Transaction (in ₹)

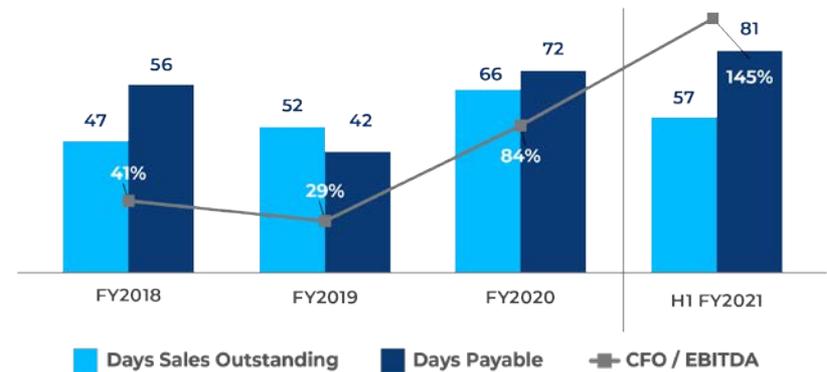


Snapshot - H1 FY2021 financials

¹Adj. PAT, Adj. PAT Margin and ROE



²Working Capital Trend



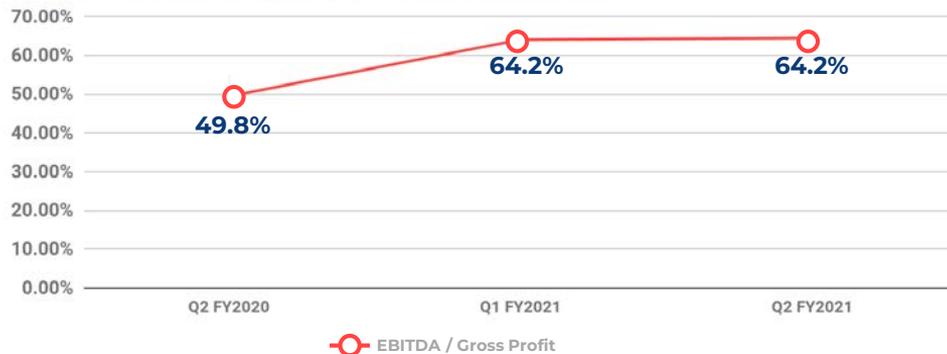
- Non-linear revenue model, creates significant operating leverage
- Robust EBITDA to Cash Flow from Operations conversion rate

¹Adjusted PAT- Adjusted for non-cash line items on account of acquisitions

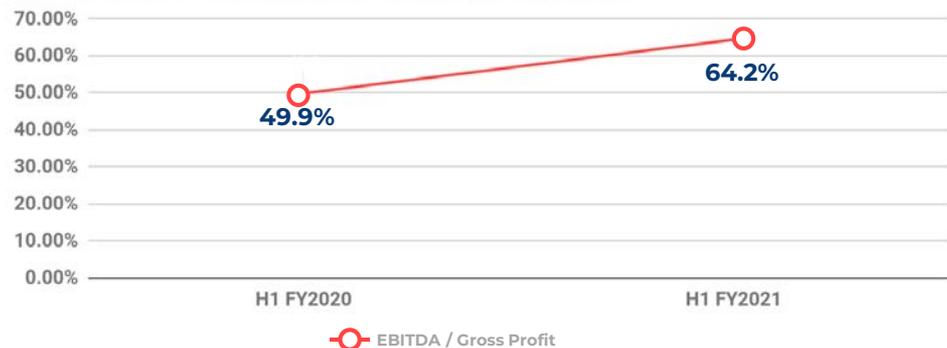
²Trade Payables include Outstanding expenses

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 INR 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	3,493	3,096	1,966	78%	6,589	4,263	9,563
Other Income	52	27	48	8%	79	79	118
Total revenue	3,545	3,123	2,014	76%	6,668	4,343	9,681
Expenses							
-Purchases of messaging services	2,813	2,494	1,570	79%	5,307	3,423	7,642
-Employee benefits expense	146	130	143	2%	276	296	582
-Other expenses	116	95	80	45%	211	165	339
EBITDA	470	404	221	113%	874	459	1,118
Finance costs	9	10	10	-10%	19	22	49
Depreciation and amortisation expense	68	60	53	28%	128	106	227
Profit before tax (before exceptional items)	394	333	157	151%	727	330	842
Exceptional items	-	-	-	-	-	-	149
Profit before tax	394	333	157	151%	727	330	694
Tax expense	66	64	27	144%	130	68	112
Profit After Tax (as reported)	327	269	130	152%	597	262	582
Amortization resulting from intangibles added on account purchase price allocation for acquisitions and exceptional items	37	27	25	48%	64	50	217
Adjusted Profit After Tax	364	296	155	135%	661	312	799

Financial Statements – Balance Sheet

Balance Sheet, as on (in INR mn)	Sep 30, 2020	Jun 30, 2020	Sep 30, 2019	Mar 30, 2020
Non-current assets				
Property, plant and equipment	205	213	237	224
Right-of-use asset	66	83	125	97
Goodwill & Other intangible assets	1,499	1,398	1,401	1,435
Other non-current assets	474	487	417	458
Trade receivables	2,153	1,840	1,393	2,037
Cash and bank balances	4,274	1,587	1,020	1,026
Other current assets	865	730	536	978
Total assets	9,535	6,338	5,129	6,255
Equity & Liabilities				
Shareholders Net Worth	5,461	2,937	2,336	2,672
Non-current liabilities				
Borrowings	40	37	41	37
Other non-current liabilities & provisions	59	76	95	84
Current liabilities				
Borrowings	300	388	370	374
Trade payables	1,926	1,717	959	1,812
Other financial liabilities	1,255	585	991	880
Other current liabilities & provisions	495	598	337	396
Total equity and liabilities	9,535	6,338	5,129	6,255

Financial Statements: Cash Flow Statement



	Cash Flow Statement	Quarter ended	Half year ended		Year ended
		FY20	Sep 30, 2020		Mar 31, 2020
		Jun 30, 2020	Sep 30, 2020	Sep 30, 2019	Mar 31, 2020
A	Cash Flow from Operating Activities				
	Profit before tax	333	726	330	694
	Adjustments for non Cash and Non-Operating items	88	100	81	211
	Operating profit before working capital changes	421	826	411	905
	Adjustments for working capital:				
	(Increase)/decrease in trade receivables	206	(124)	50	(570)
	(Increase)/decrease in financial assets and other assets	223	77	(114)	(474)
	Increase/(decrease) in trade payables, provisions and other liabilities	(34)	548	351	1,252
	Cash generated from/(used in) operating activities	815	1,328	698	1,114
	Direct taxes paid (net)	(3)	(57)	(89)	(179)
	Net cash generated from/(used in) operating activities	812	1,270	609	935
B	Cash Flow from Investing Activities				
	Purchase/ (Sale) of PPE and intangible assets	(3)	(13)	(58)	(72)
	Proceeds from fixed deposits matured/(placed)	(35)	(1,898)	298	251
	Payment for acquisition of subsidiaries	(246)	(242)	(2)	(197)
	Interest received	7	17	9	21
	Net cash (used in) investing activities	(277)	(2,136)	246	2
C	Cash Flow from Financing Activities				
	Borrowings/ (Repaid)	14	(76)	(361)	(359)
	Interest paid	(7)	(15)	(14)	(28)
	Proceeds from and securities premium on issue of equity shares	0	2,400	0	0
	Lease liabilities paid (principal + interest)	(17)	(36)	(35)	(71)
	Dividend paid (including DDT)	0	-	(90)	(165)
	Net cash (used in)/generated from financing activities	(11)	2,274	(502)	(623)
D	Currency fluctuations arising on consolidation	1	(56)	8	8
	Net increase/(decrease) in cash and cash equivalents (A+B+C+D)	525	1,352	361	322
	Opening balance of cash and cash equivalents	615	615	294	294
	Cash and cash equivalents taken over on acquisition				
	Closing balance of cash and cash equivalents	1,140	1,967	655	615

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

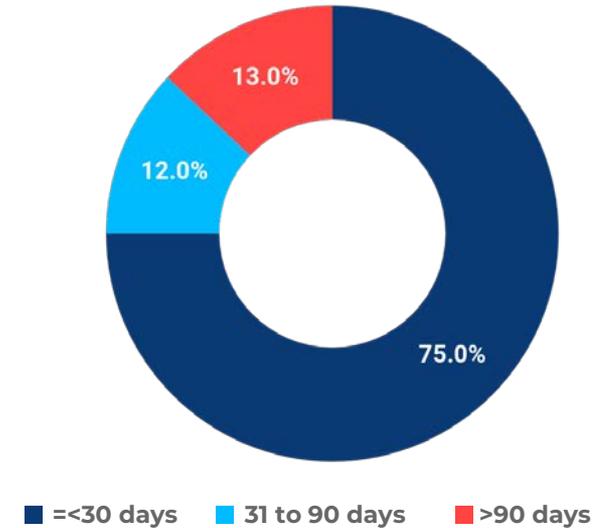
- Contract Won: **1**
- Preferred bidder: **1**
- Proposals Submitted: **9**
- Results Awaited: **7**
- Shortlisted for next stage: **2**

Accounts Receivable Analysis

Trend in Accounts Receivable

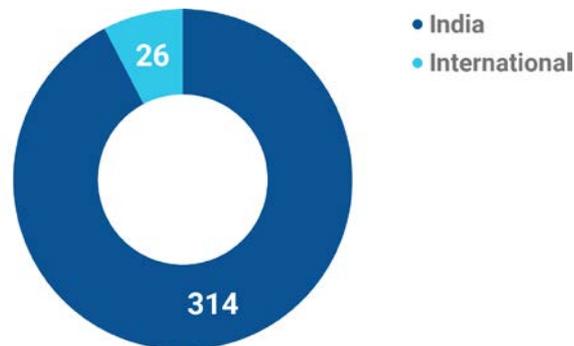


Ageing analysis of Accounts Receivable as on Sep 30, 2020

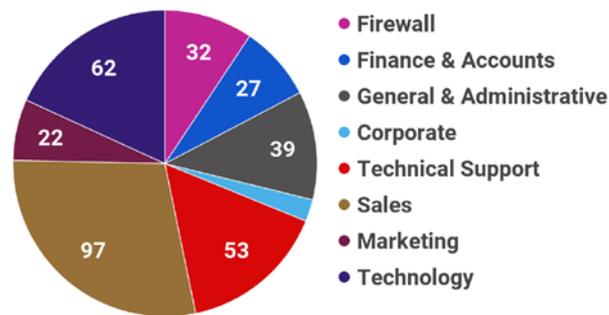


Human Resource Capital

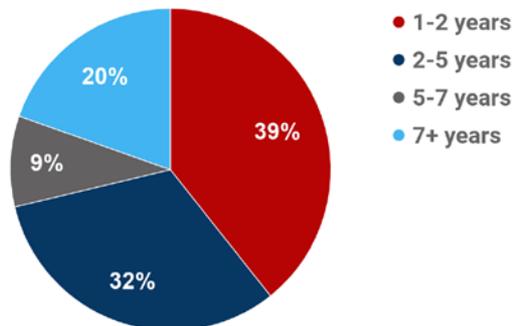
Location wise break-up¹



Function wise break-up¹



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*
Attrition	19%	8%

* annualized; excluding Call2Connect

¹As on September 30,2020



Thank you
investors@routemobile.com