



# Earnings Update

## H1 FY22-23

**INVESTOR PRESENTATION**  
OCTOBER 21, 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



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

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



**₹27,637mn** LTM Sep 2022 Revenue  
**33%** Revenue CAGR FY 2019 – FY 2022

Global footprint across **20+ locations**;  
**2,500+** active billable clients; **350+** new customers onboarded in H1 FY 22-23



**₹3,422mn** LTM Sep 2022 EBITDA  
**44%** EBITDA CAGR FY 2019 – FY 2022

Infrastructure comprising **19 data centers** and **6 SMSCs** globally



**128%** Net revenue retention in H1 FY 22-23

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



**₹8,062mn** Net cash and cash eqv. as on Sep 30, 2022  
**30%** Interim Dividend (₹ 3 per share)

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

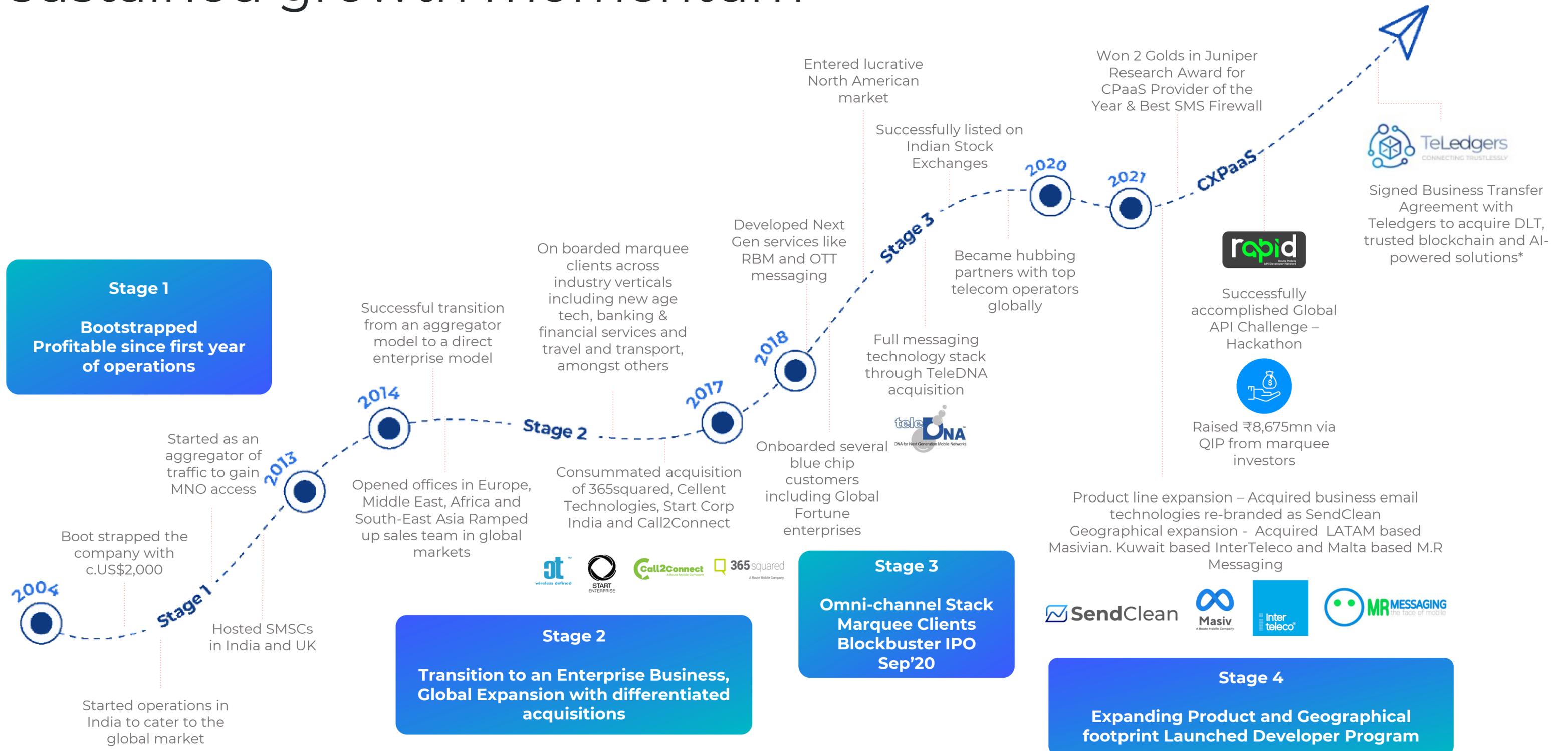


**700+** employees spread across 5 continents



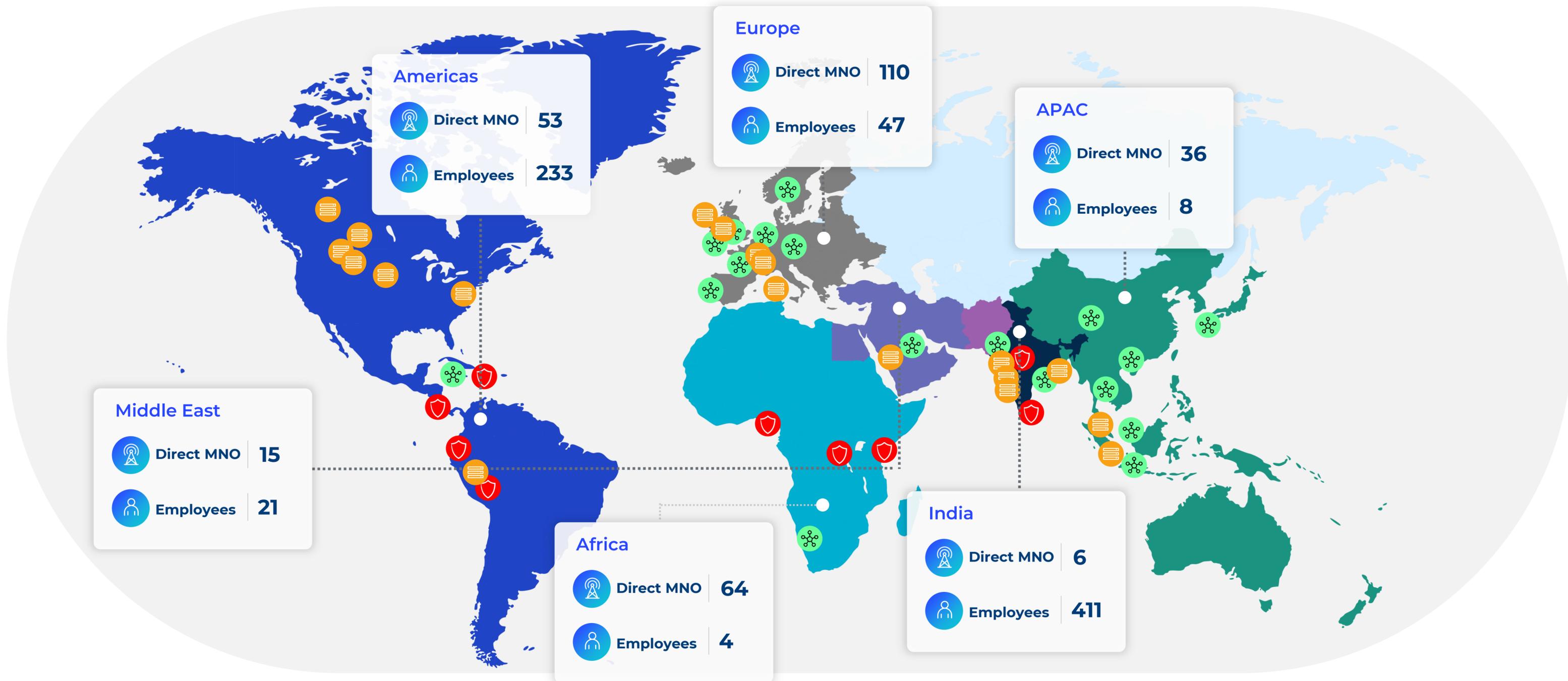
(1) Juniper - CPaaS Future Market Outlook, 2021

# Systematic roadmap to create sustained growth momentum



\*Closure subject to completion of condition precedents including outcome of an ongoing arbitration proceeding

# Global Diaspora - Footprint & Super Network



9 Firewall deployments;  
1 upcoming (contract signed)

19 virtualized Data Centers

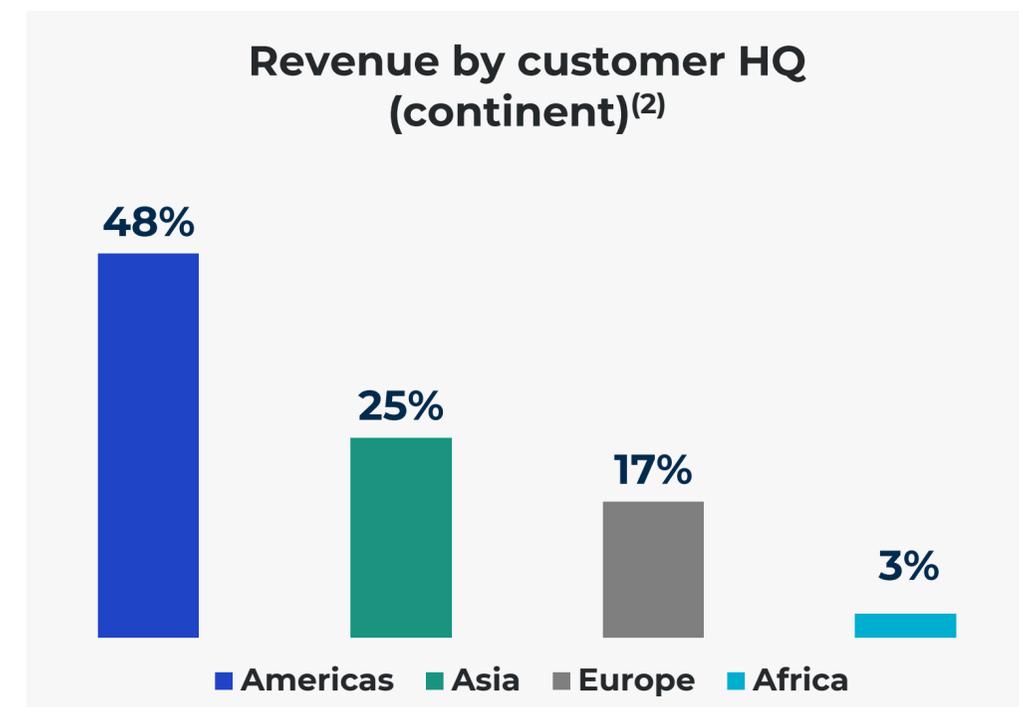
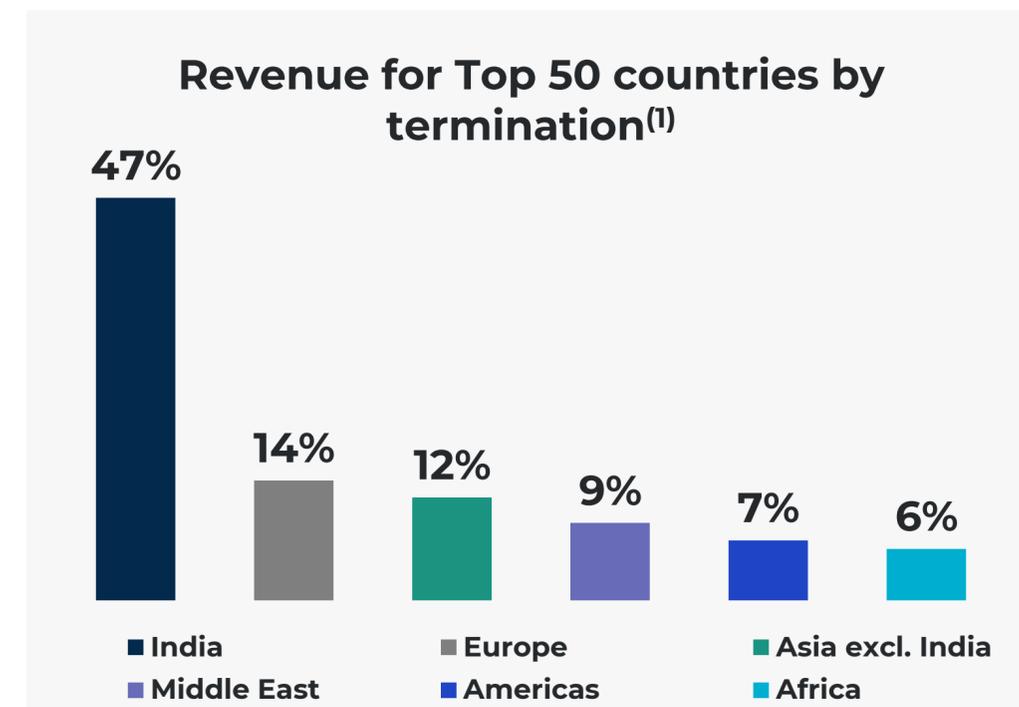
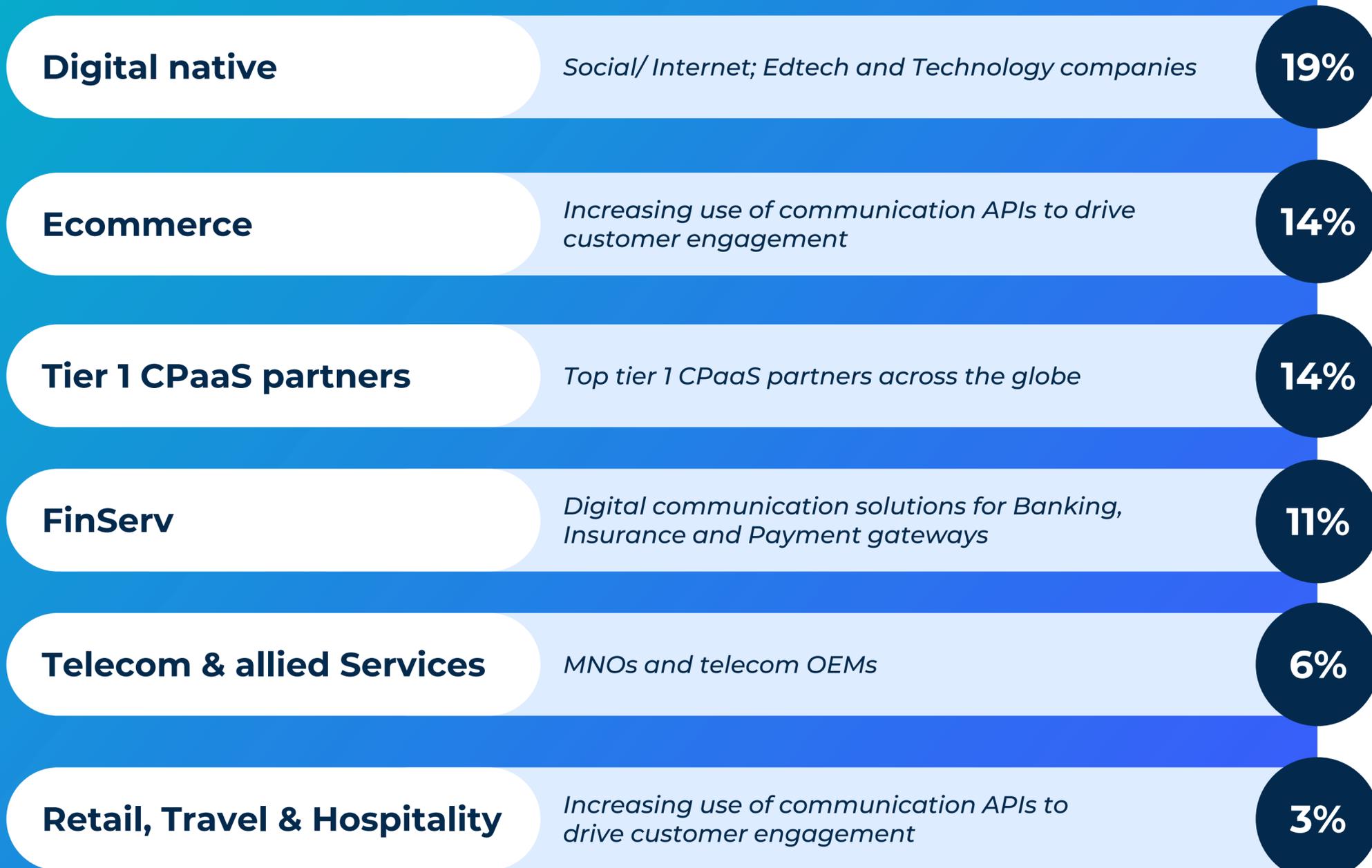
18 Hubs

700+ Global Employees base

**280+ Super Network**  
Widespread global distribution & reach

# Diverse customer base

## Revenue contribution from select industries in H1 FY22-23



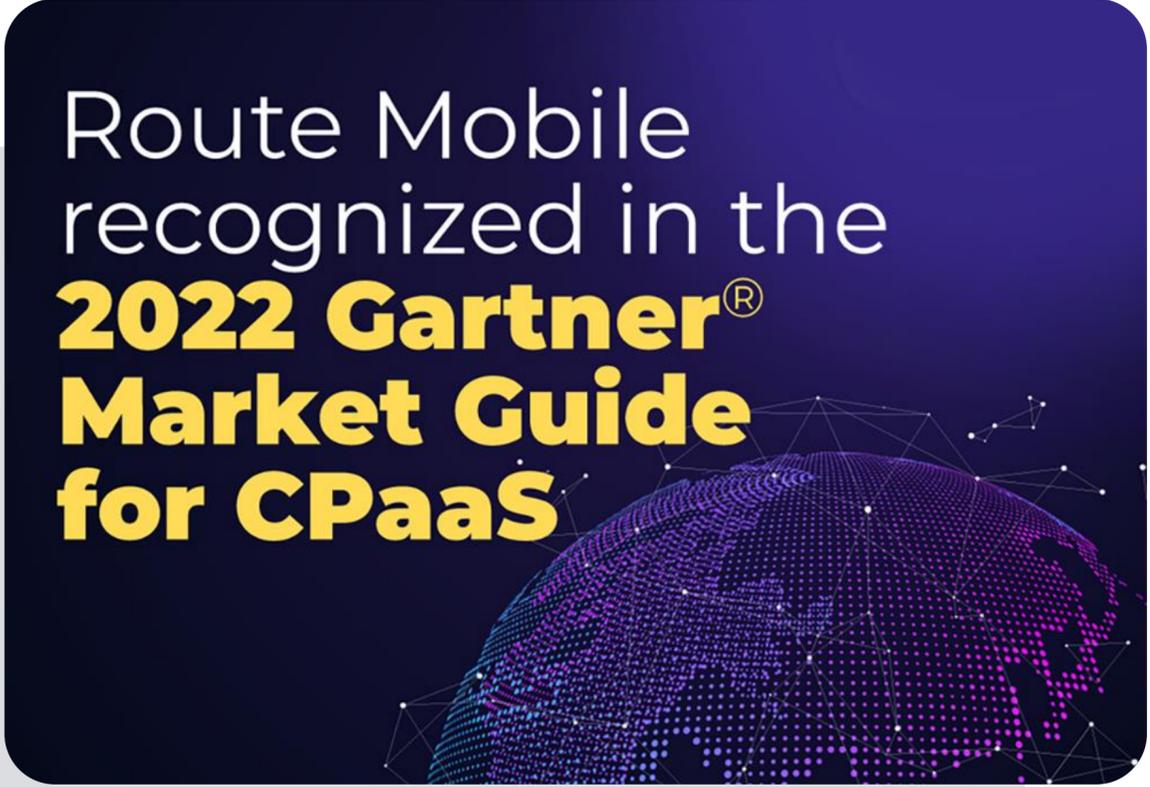
(1) Top 50 countries contribute c.96% of H1 FY22-23 revenue from operations | (2) Top 150 customers - contribute c. 92% of H1 FY22-23 revenue from operations



# Key Developments



# Key Developments in Q2 FY22-23



Route Mobile  
recognized in the  
**2022 Gartner®  
Market Guide  
for CPaaS**

**Recognised for 3<sup>rd</sup> consecutive year** including the 2022 edition of the **Gartner Market Guide for Communications Platform as a Service (CPaaS)**. Another feather in our cap which validates our deep domain expertise, global footprint and strong technology-driven product stack.



**Telenor Global Services** has chosen Route Mobile as the preferred **partner for A2P SMS Services for select destinations in Europe and the Asia Pacific.**

# Buyback 2022

- **Buyback**, via “Open Market” route through the stock exchange mechanism, approved by the Board of Directors on June 28, 2022
- No participation by promoters, promoter group and persons who are in control of the Company
- Buyback commenced on July 11, 2022 and completed on August 29, 2022
- 861,021 equity shares were bought back at an average price of ₹ 1,393.69 per equity share

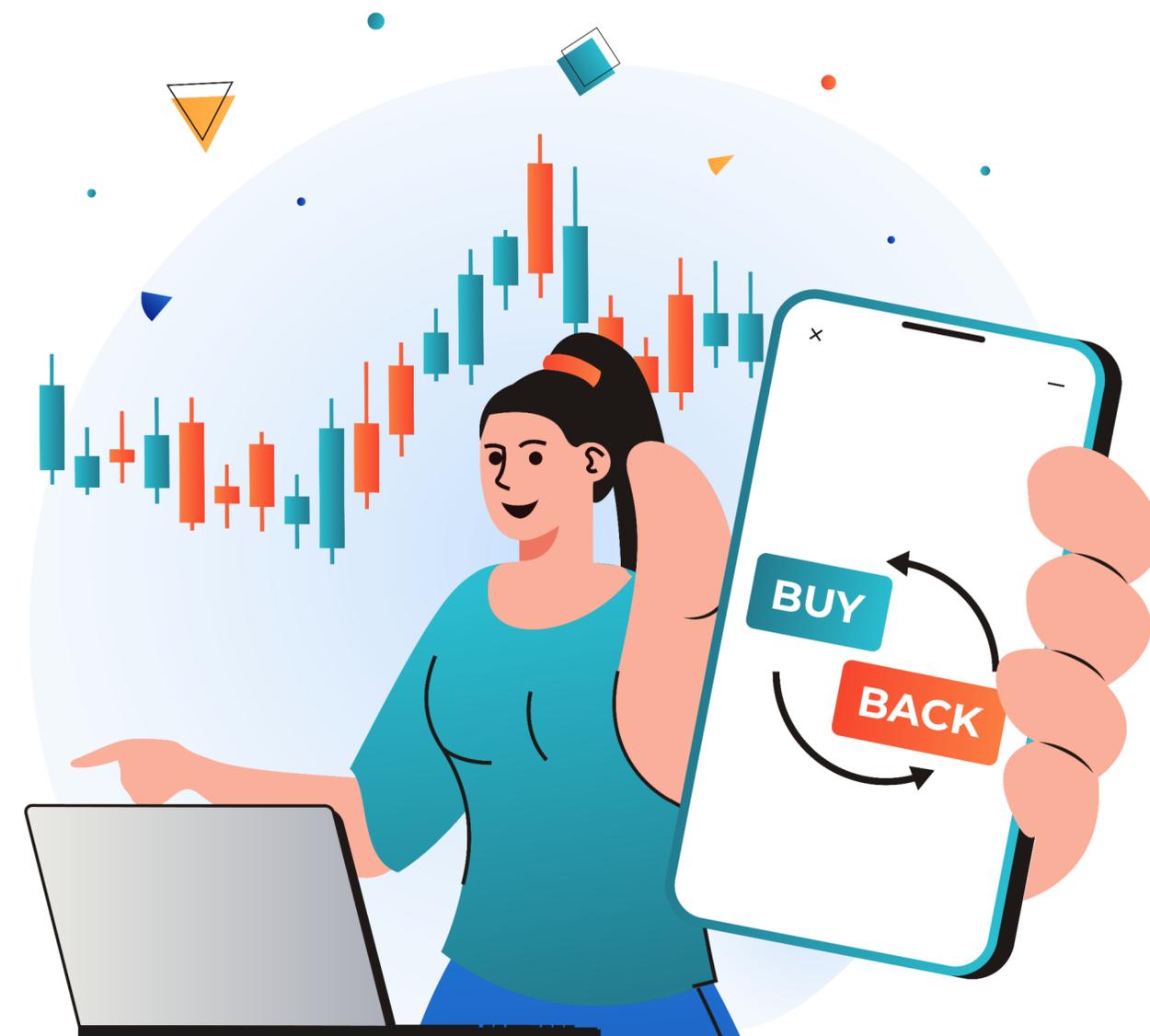
**Total Amount  
Utilized**

**c. ₹ 1,200mn**

**Cumulative number of  
shares bought back**

**861,021**

Equity Shares



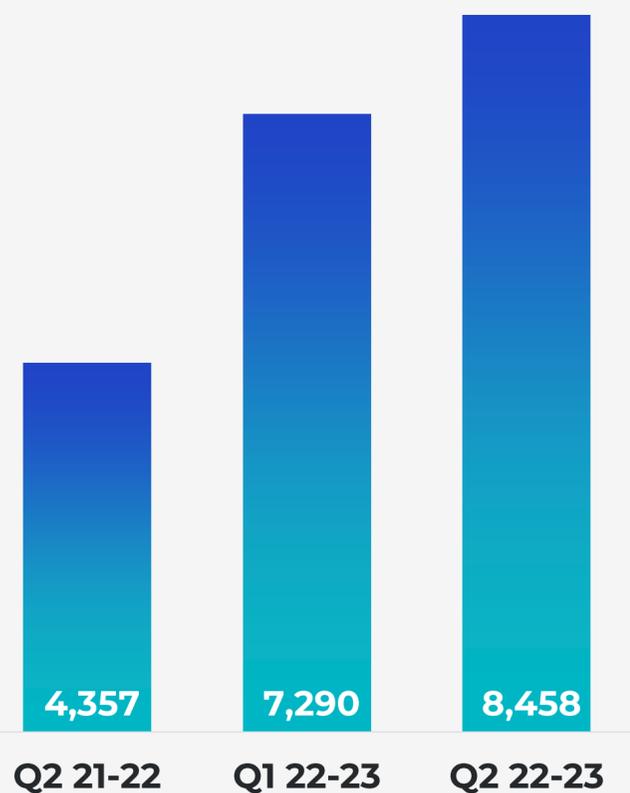


# Financial Highlights



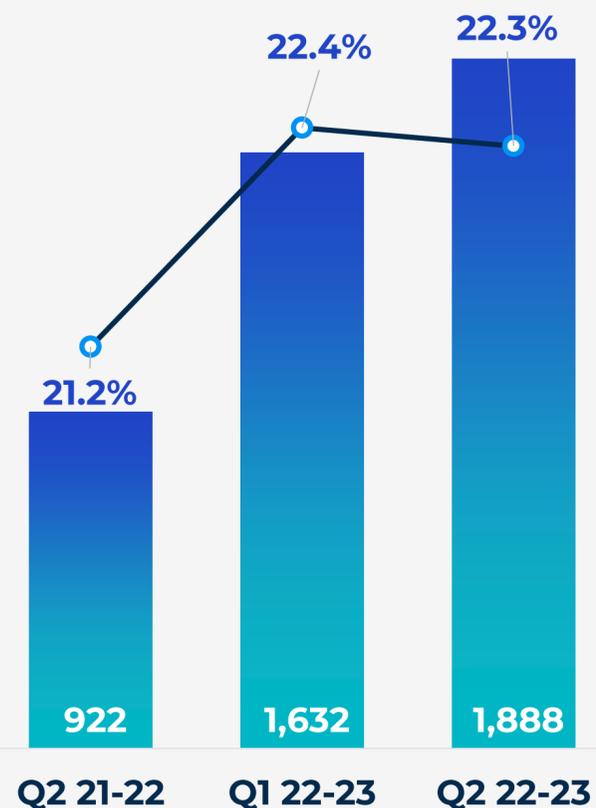
# Q2 FY22-23 Snapshot

### Revenue from Operations (in ₹ mn)



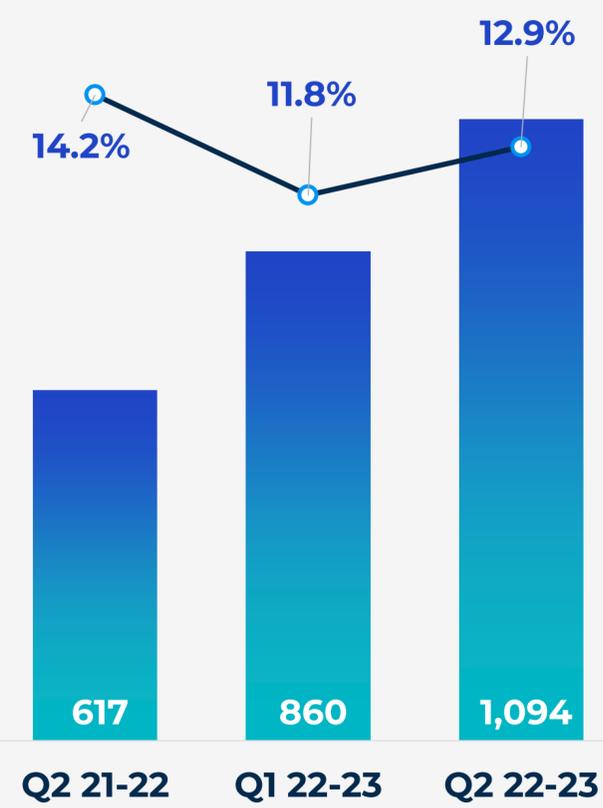
**94% Y-o-Y growth**  
**16% Q-o-Q growth**

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



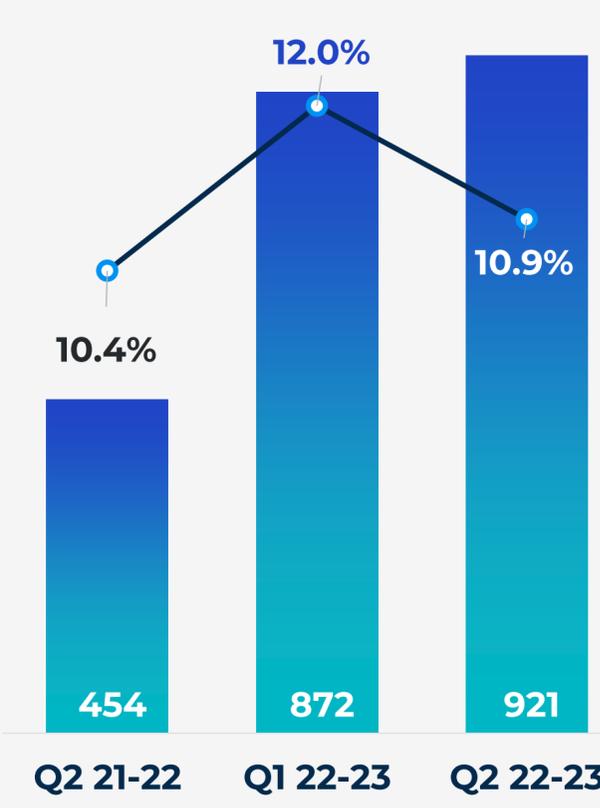
**105% Y-o-Y growth**  
**16% Q-o-Q growth**

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



**77% Y-o-Y growth**  
**27% Q-o-Q growth**

### Adj. PAT<sup>(2)</sup> (In ₹ mn) & Adj. PAT Margin (%)



**103% Y-o-Y growth**  
**6% Q-o-Q growth**

1) Net loss on FX transactions and translation, ESOP benefit expenses (non cash) and Intangible assets under development were adjusted from EBITDA

2) PAT has been adjusted for ESOP benefit expenses; non-cash amortization associated with the intangible assets added as a result of purchase price allocation for acquisitions; and Intangible assets under development

# Financial Highlights for Q2 FY22-23

- Closed Q2 FY22-23 with revenue from operations of **₹8,458mn** compared to **₹7,290mn** in Q1 FY22-23 and **₹4,357mn** in Q2 FY21-22
- Y-o-Y growth of **94.1%** and sequential growth of **16.0%** in revenue

- Recorded Gross Profit of **₹1,888mn** in Q2 FY22-23 compared to **₹1,632mn** in Q1 FY22-23 and **₹922mn** in Q2 FY21-22
- Y-o-Y growth of **104.6%** and sequential growth of **15.7%** in Gross Profit
- Gross Profit margin of **22.3%, 22.4%, and 21.2%** in Q2 FY22-23, Q1 FY22-23 and Q2 FY21-22 respectively

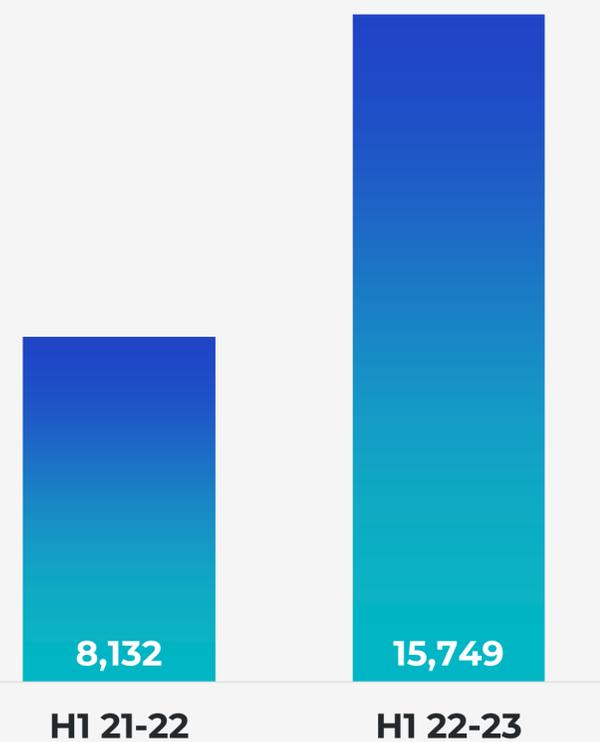
- EBITDA of **₹1,094mn** in Q2 FY22-23 compared to **₹860mn** in Q1 FY22-23 and **₹617mn** in Q2 FY21-22
- Y-o-Y growth of **77.4%** and sequential growth of **27.1%** in EBITDA
- EBITDA margin of **12.9%, 11.8% and 14.2%** in Q2 FY22-23, Q1 FY22-23 and Q2 FY21-22 respectively

- Recorded Profit After Tax of **₹726mn** in Q2 FY22-23 compared to **₹711mn** in Q1 FY22-23 and **₹421mn** in Q2 FY21-22
- Y-o-Y growth of **72.7%** and sequential growth of **2.2%** in Profit After Tax

- Adjusted Profit After Tax of **₹921mn** in Q2 FY22-23 compared to **₹872mn** in Q1 FY22-23 and **₹454mn** in Q2 FY21-22
- Adjusted for ESOP benefit expenses; non-cash amortization associated with the intangible assets added as a result of purchase price allocation for acquisitions and Intangible assets under development of ₹ 36mn (in Q2 FY22-23)
- Adjusted Profit After Tax margin of **10.9%, 12.0% and 10.4%** in Q2 FY22-23, Q1 FY22-23 and Q2 FY21-22 respectively

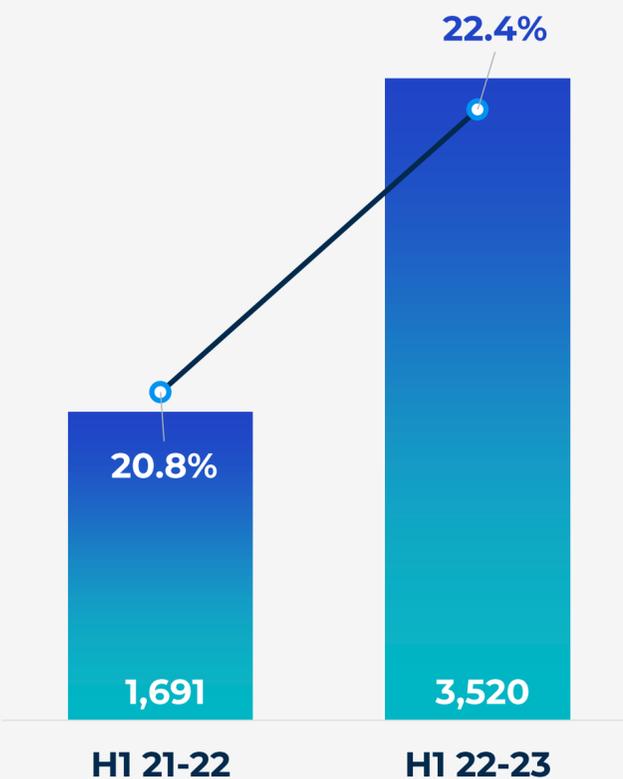
# H1 FY22-23 Snapshot

**Revenue from Operations (in ₹ mn)**



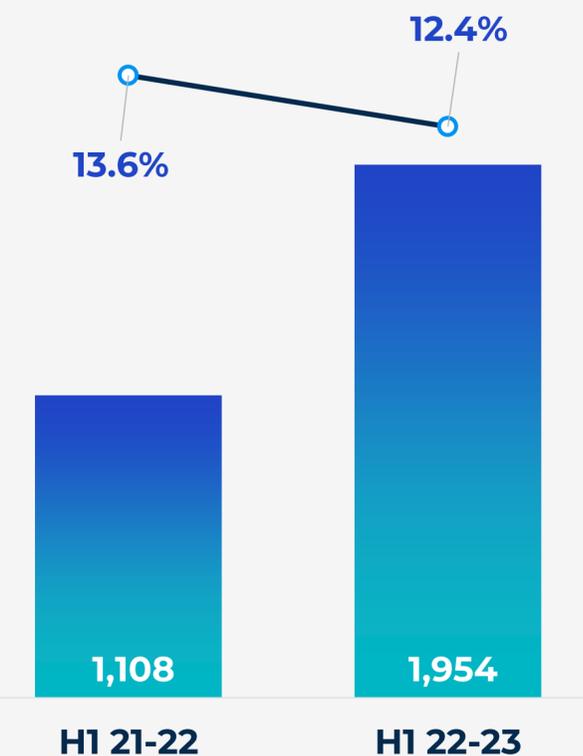
**94% Y-o-Y growth**

**Gross Profit (In ₹ mn) & Gross Profit Margin (%)**



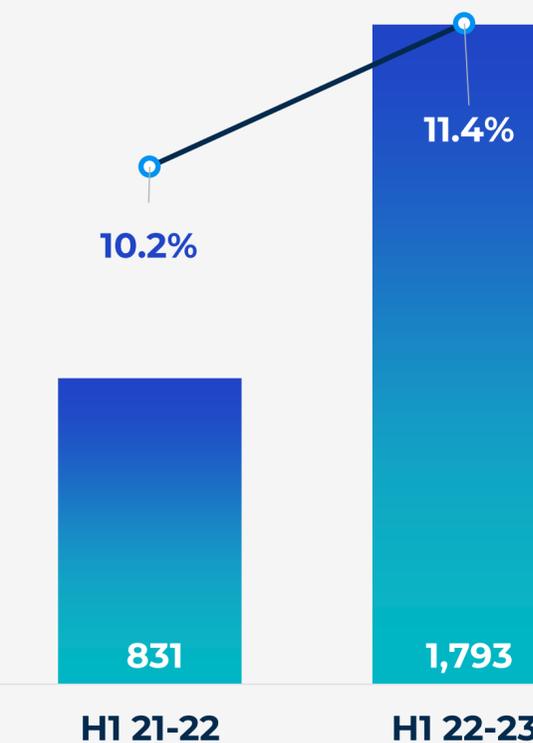
**108% Y-o-Y growth**

**EBITDA<sup>(1)</sup> (In ₹ mn) & EBITDA Margin (%)**



**76% Y-o-Y growth**

**Adj. PAT<sup>(2)</sup> (In ₹ mn) & Adj. PAT Margin (%)**



**116% Y-o-Y growth**

1) Net loss on FX transactions and translation, ESOP benefit expenses (non cash) and Intangible assets under development were adjusted from EBITDA

2) PAT has been adjusted for ESOP benefit expenses; non-cash amortization associated with the intangible assets added as a result of purchase price allocation for acquisitions; and Intangible assets under development

# Financial Highlights for H1 FY22-23

- Closed H1 FY22-23 with revenue from operations of **₹15,749mn** compared to **₹8,132mn** in H1 FY21-22
- Y-o-Y growth of **93.7%** in Revenue

- Recorded Gross Profit of **₹3,520mn** in H1 FY22-23 compared to **₹1,691mn** in H1 FY21-22
- Y-o-Y growth of **108.1%** in Gross Profit
- Gross Profit margin of **22.4%** and **20.8%** in H1 FY22-23 and H1 FY21-22 respectively

- EBITDA of **₹1,954mn** in H1 FY22-23 compared to **₹1,108mn** in H1 FY21-22
- Y-o-Y growth of **76.3%** in EBITDA
- EBITDA margin of **12.4%** and **13.6%** in H1 FY22-23 and H1 FY21-22 respectively

- Recorded Profit After Tax of **₹1,437mn** in H1 FY22-23 compared to **₹764mn** in H1 FY21-22
- Y-o-Y growth of **88.2%** in Profit After Tax

- Adjusted Profit After Tax of **₹1,793mn** in H1 FY22-23 compared to **₹831mn** in H1 FY21-22
- Adjusted for ESOP benefit expenses; non-cash amortization associated with the intangible assets added as a result of purchase price allocation for acquisitions and Intangible assets under development of ₹ 95mn (in H1 FY22-23)
- Adjusted Profit After Tax margin of **11.4%** and **10.2%** in H1 FY22-23 and H1 FY21-22 respectively

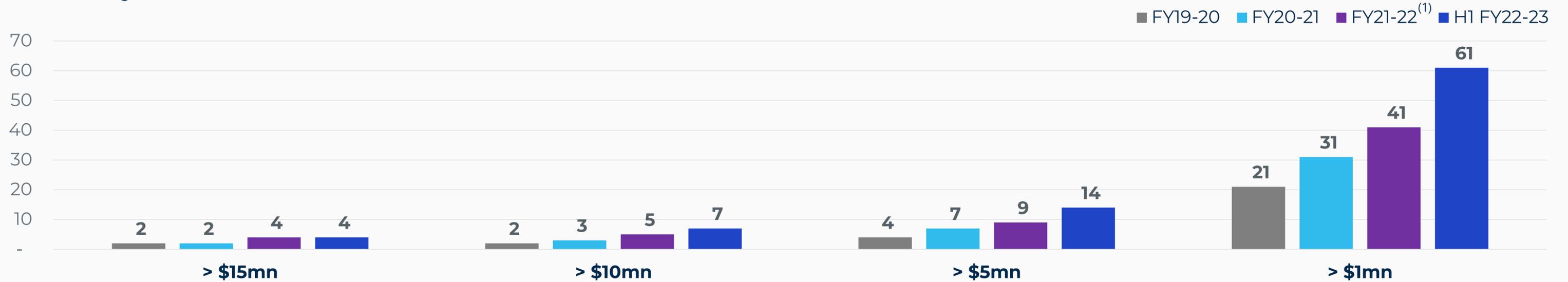
# EBITDA and Adjusted PAT – Non GAAP

Particulars (In ₹ mn)	Quarter Ended			Half year	
	30.09.2022	30.06.2022	30.09.2021	30.09.2022	30.09.2021
<b>Profit before tax (Ind AS)</b>	<b>822.7</b>	<b>757.4</b>	<b>504.2</b>	<b>1,508.0</b>	<b>933.3</b>
(-) Other income	22.6	147.9	24.5	170.5	69.2
(+) Finance costs	40.9	41.7	6.7	82.6	11.5
<b>EBIT</b>	<b>840.9</b>	<b>651.1</b>	<b>486.4</b>	<b>1,492.2</b>	<b>875.8</b>
(+) Depreciation and amortisation expense	188.4	195.7	73.6	384.1	139.4
(+) Employee stock option expense (non cash)	85.7	72.0	-	157.7	-
(+) Net loss on foreign currency transactions and translation	14.9	-	56.6	14.9	92.9
(-) Intangible assets under development	36.2	58.8	-	95.1	-
<b>EBITDA (Non-GAAP)</b>	<b>1,093.6</b>	<b>860.2</b>	<b>616.6</b>	<b>1,953.8</b>	<b>1,109.0</b>
<b>EBITDA margin % on a Non-GAAP basis</b>	<b>12.9%</b>	<b>11.8%</b>	<b>14.2%</b>	<b>12.4%</b>	<b>13.6%</b>
<b>Profit for the period (Ind AS)</b>	<b>726.0</b>	<b>710.7</b>	<b>420.7</b>	<b>1,436.8</b>	<b>763.9</b>
(+) Employee stock option expense (non-cash)	85.7	72.0	-	157.7	-
(+) Amortization related to intangibles identified on account of acquisitions	145.6	148.3	32.9	293.9	67.1
(-) Intangible assets under development	36.3	58.8	-	95.1	-
<b>Adjusted PAT (Non-GAAP)</b>	<b>921.0</b>	<b>872.3</b>	<b>453.6</b>	<b>1,793.4</b>	<b>831.0</b>
<b>Adjusted PAT margin % on a Non-GAAP basis</b>	<b>10.9%</b>	<b>12.0%</b>	<b>10.4%</b>	<b>11.4%</b>	<b>10.2%</b>

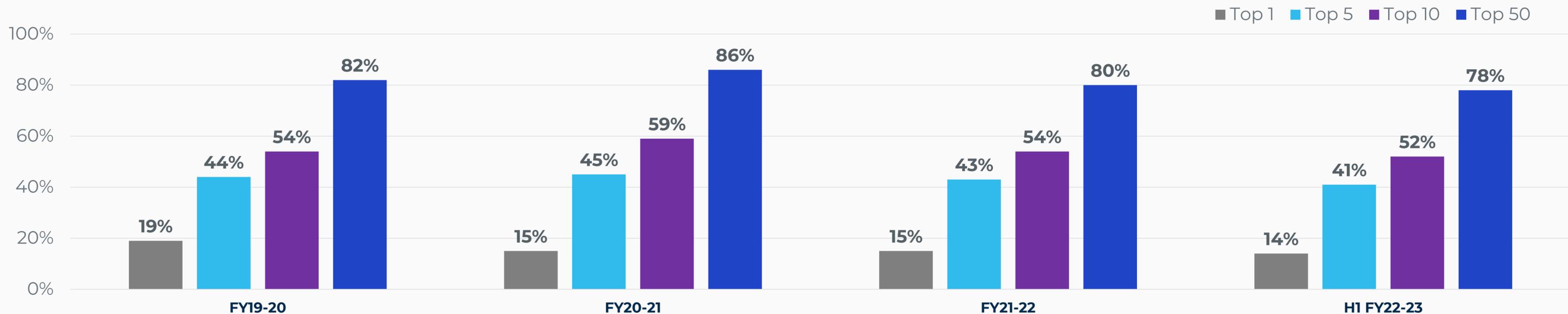
Management uses the non-GAAP financial information, collectively, to evaluate its ongoing operations and for internal planning and forecasting purposes. Non-GAAP financial information is presented for supplemental informational purposes only, should not be considered a substitute for financial information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

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

## Clients by Account Size



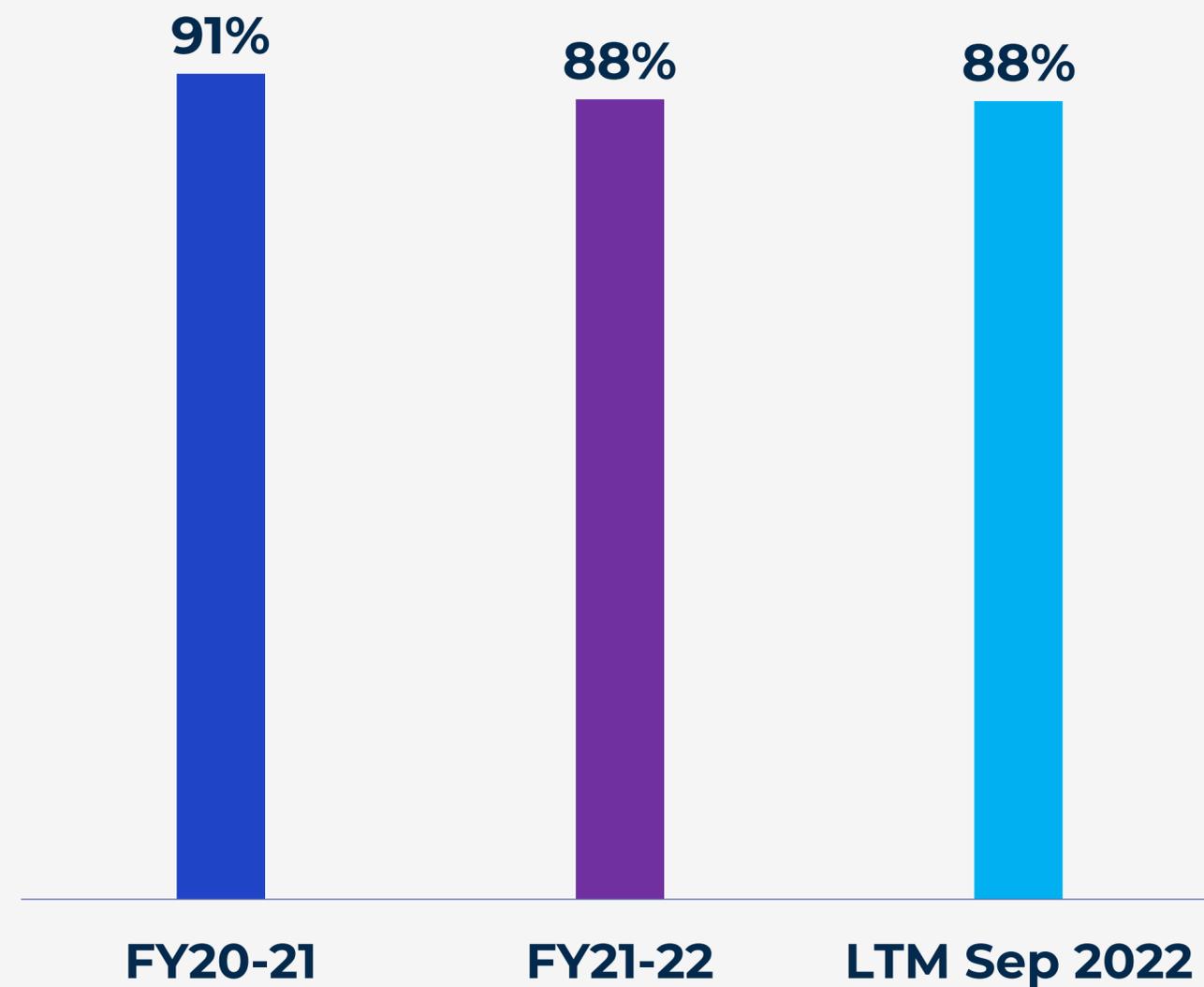
## Client Concentration



(1) Excludes MRM (one of the clients of RML) from this analysis post acquisition

# Strong Recurring Revenue

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



**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 October 1, 2021 – September 30, 2022 is a recurring customer for LTM September 2022. (2) Net revenue retention calculated based on comparison of H1 FY21-22 revenue with H1 FY22-23 revenue. M.R Messaging and Masivian customers are not included for like for like comparison.

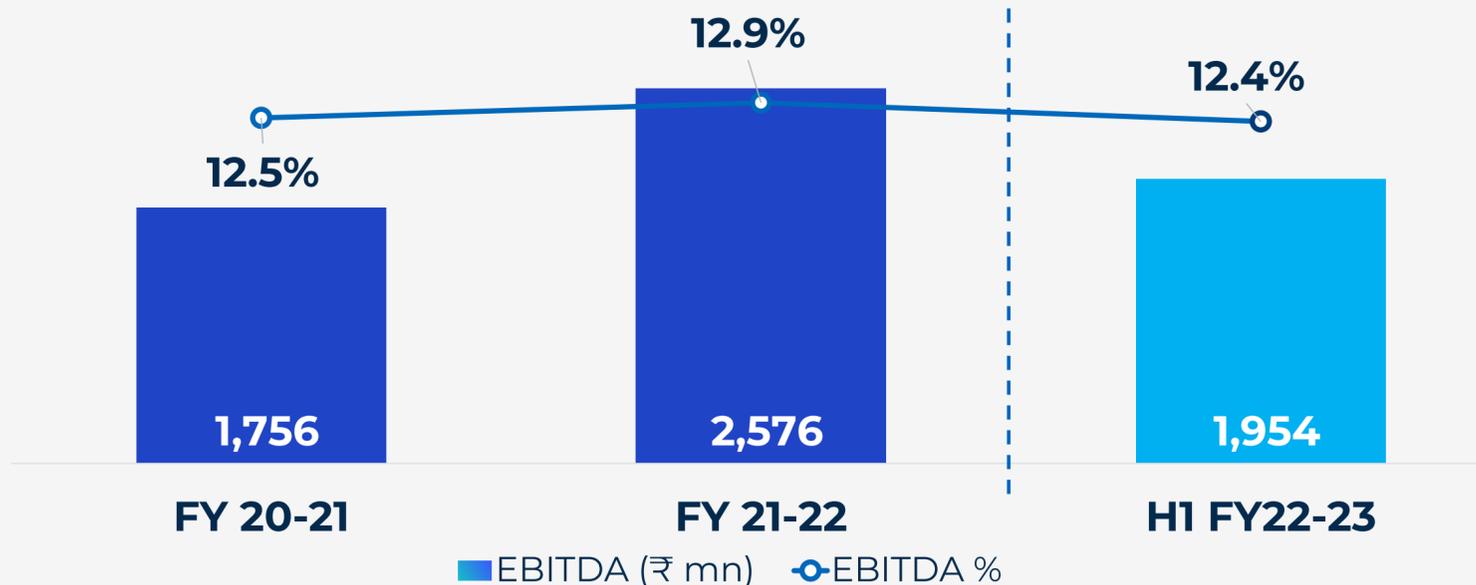
# Robust growth momentum

## Revenue from operations & Total Billable Transaction



Robust growth momentum  
**94%** Y-o-Y growth in H1 FY22-23  
**34%** CAGR over past 5 years  
 (FY16-17 to FY21-22)

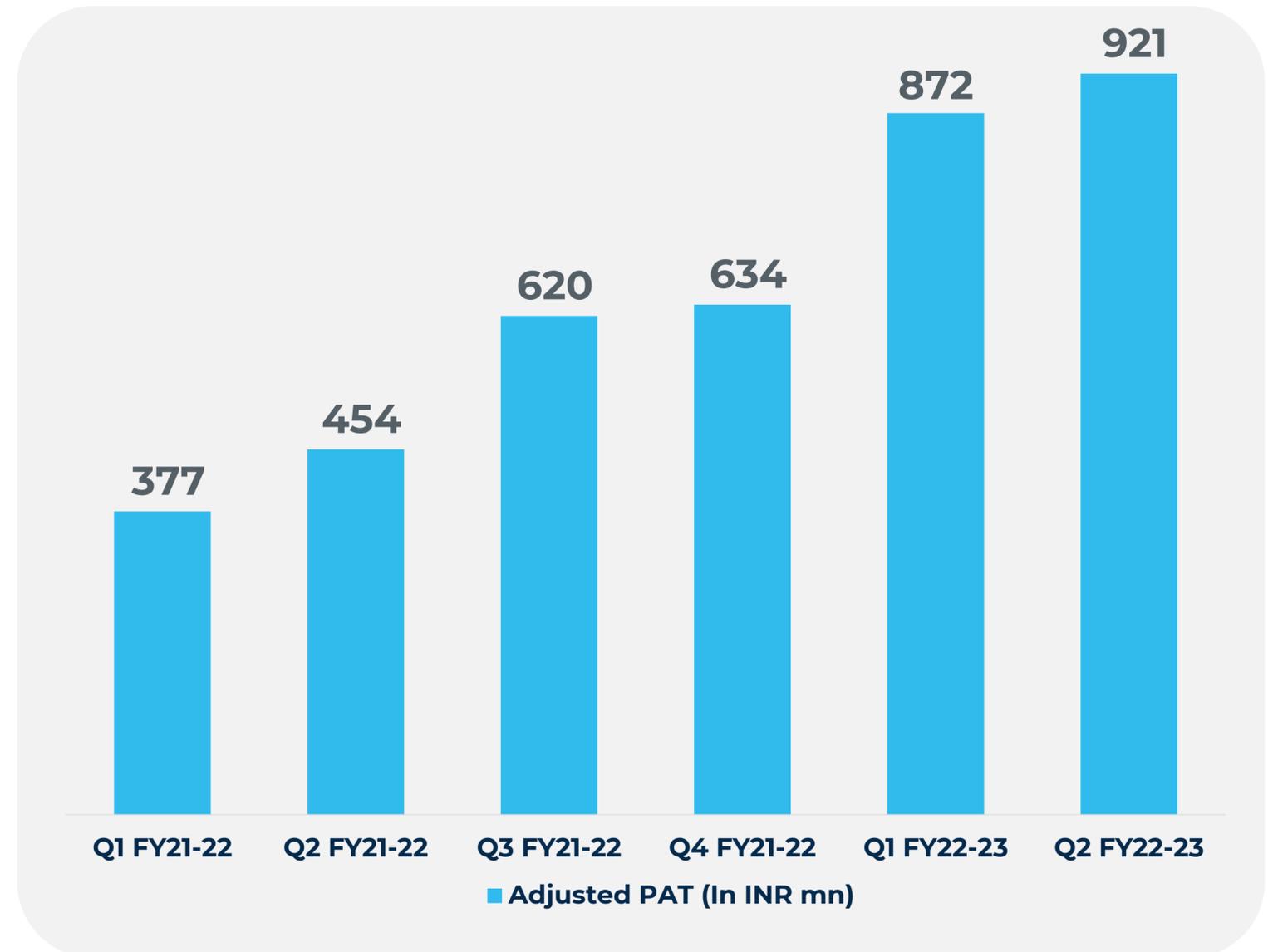
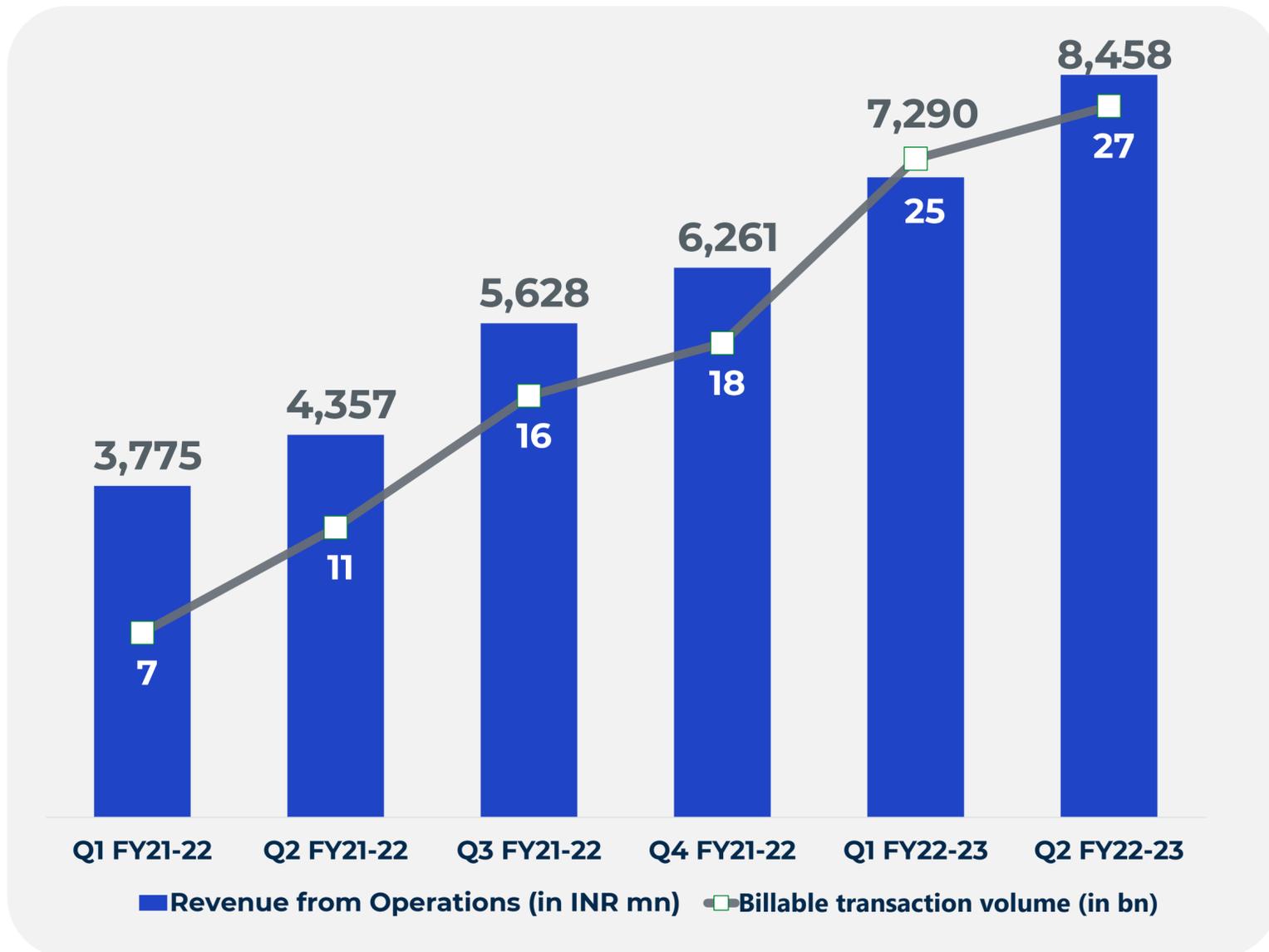
## EBITDA and EBITDA margin



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

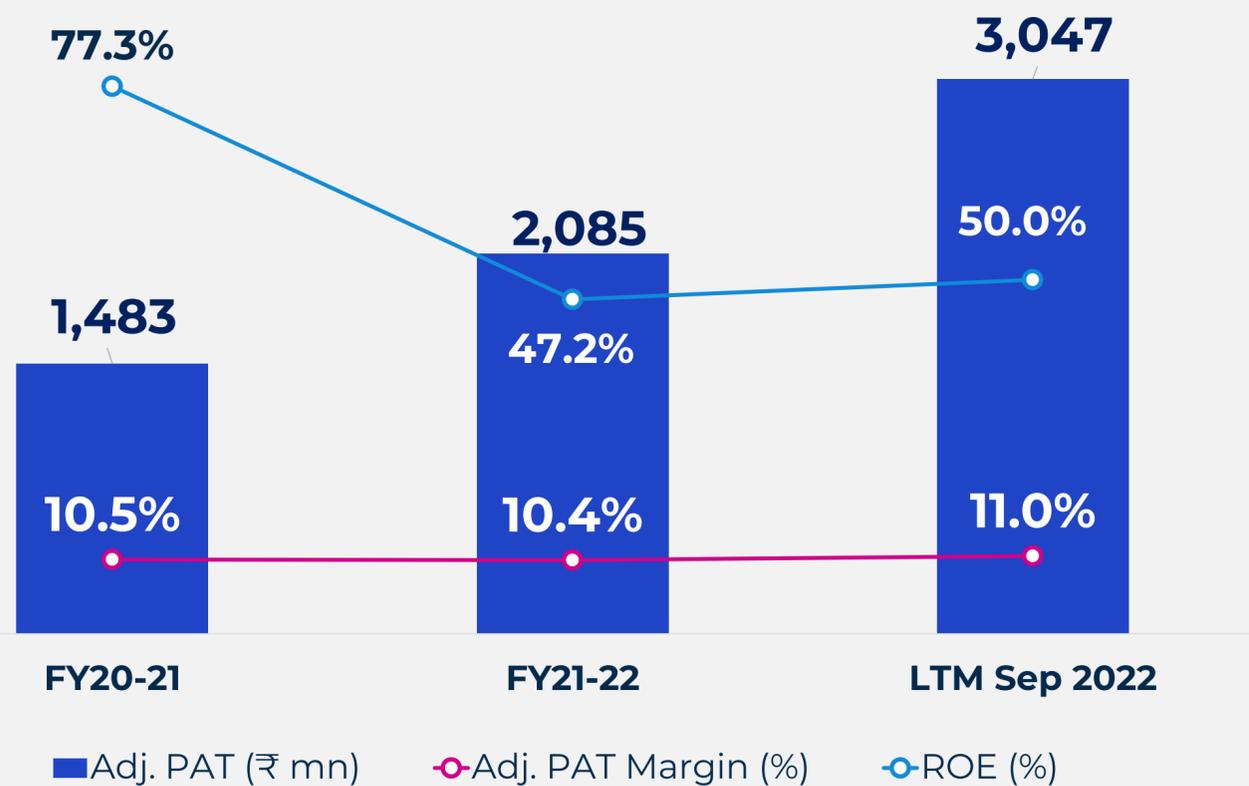
EBITDA as % of Gross Profit stood at  
**56%** in H1 FY22-23

# Six Consecutive Quarters of Sequential Growth in Revenue and Adjusted PAT

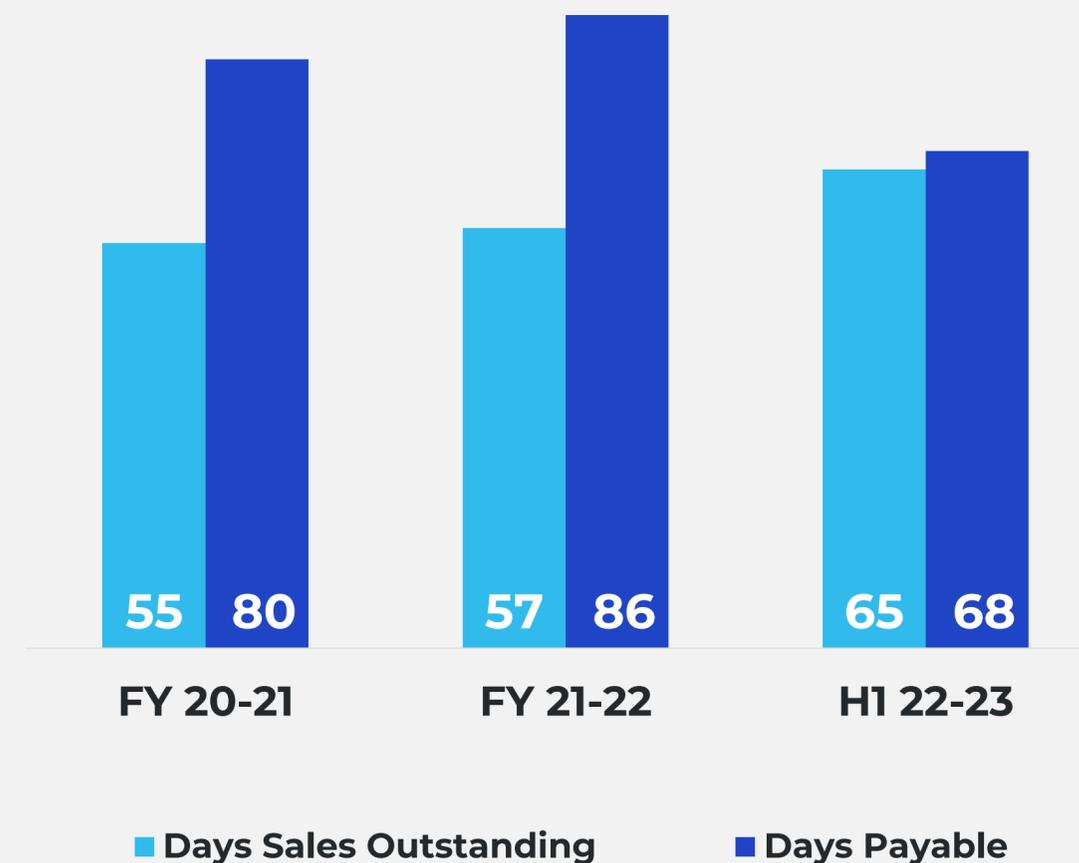


# ROE and Working Capital Trend

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

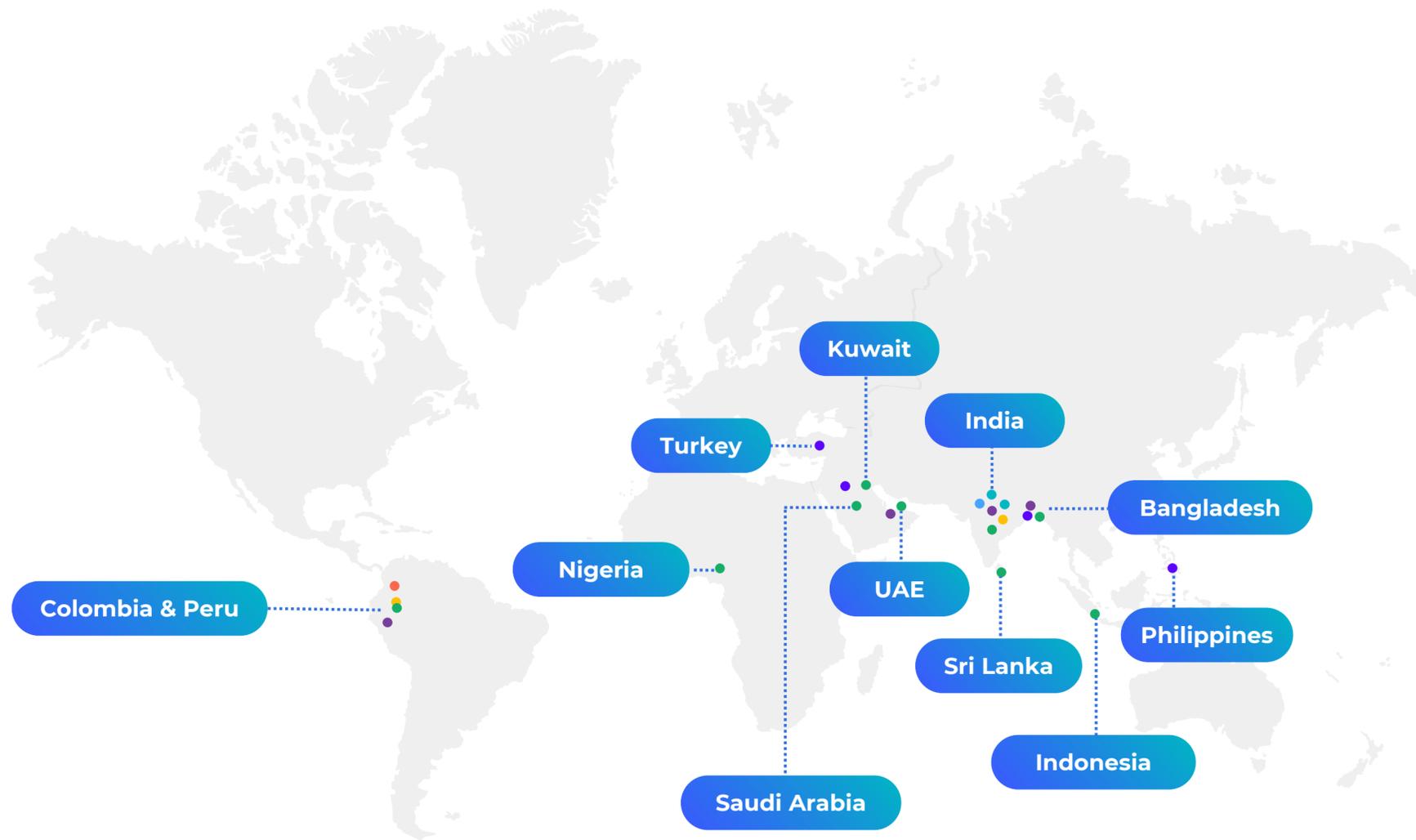


### Working Capital Trend



<sup>(1)</sup> Return on Equity (ROE) is calculated as Adjusted PAT divided by average Equity (less cash and cash equivalent). Trade Receivables include Unbilled Revenue for the respective period and Trade Payables include Outstanding Expenses.

# New Product Revenue Momentum across Geographies



- Voice
- GBM
- Email
- Brandi5
- WhatsApp
- Viber
- RCS
- FB Messenger

## Quarterly New Product Sales (₹ mn)

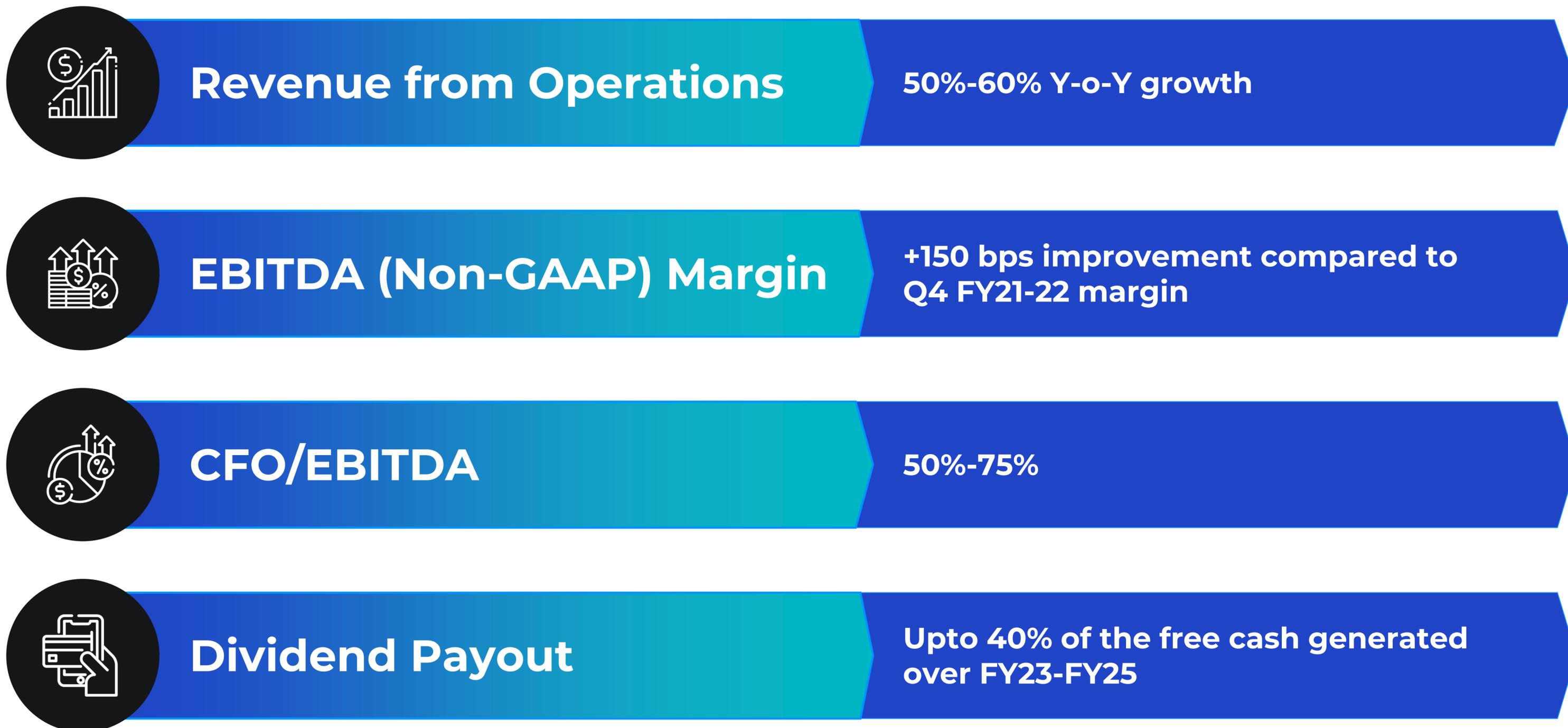


### Q2 FY22-23 growth

- ✓ 116% Y-o-Y
- ✓ 12% Q-o-Q

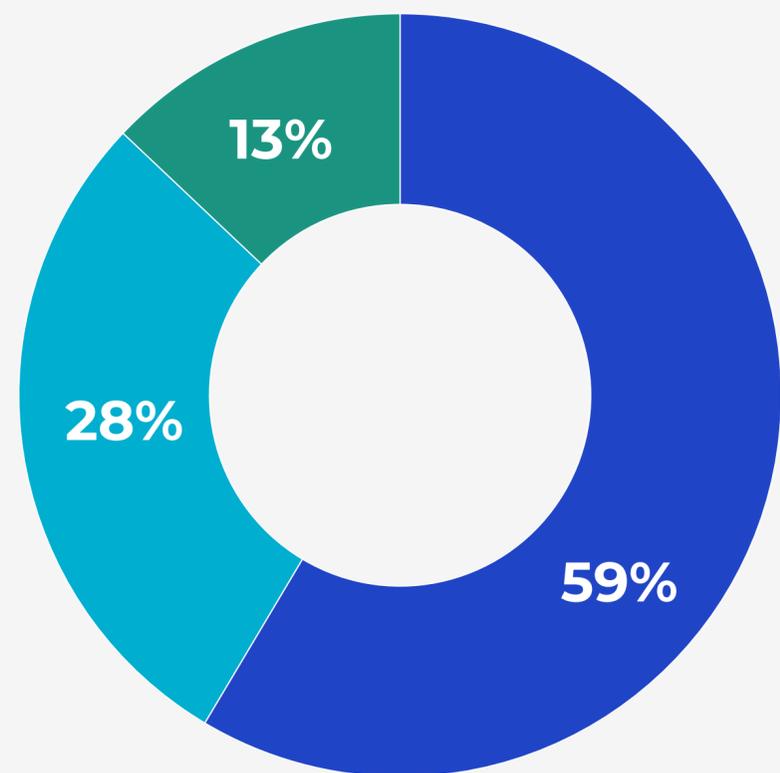
Revenue from new products  
in LTM Sep 2022  
**₹ 1,252mn**

# FY22-23 Guidance



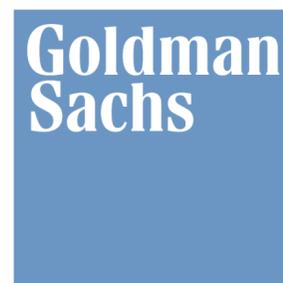
# Shareholding Pattern

Total Equity Shares Outstanding as on September 30, 2022 - **62,182,567**



- Promoter & Promoter Group
- Institutional Investors
- Non-Institutions (including Foreign Nationals)

## Institutional investors holding greater than 1% of the total number of shares



Theleme Partners LLP

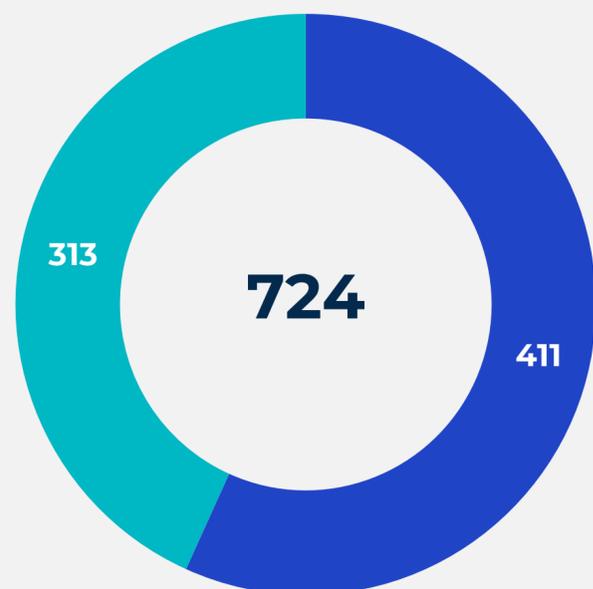


Global Asset Management



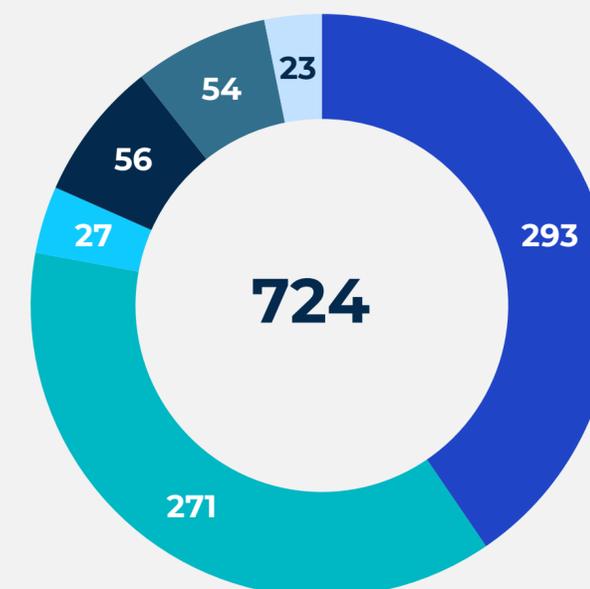
# Human Resource Capital

## Location wise break-up



■ India ■ International

## Function wise break-up



- Tech & Tech Support
- Sales & Marketing
- Firewall & other operator solutions
- General & Admin
- Strategy, Accounts & Finance
- Corporate-Business Heads

**142** New Employees joined in H1 FY22-23,

**146** Employees resigned in H1 FY22-23.

# Glossary

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



# Thank You

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