

ISIN CODE: INE00WC01027

BSE: 542752

NSE: AFFLE

CMP: 1,171.80

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OVERVIEW

- Affle is a global technology company with a proprietary consumer intelligence platform.
- It delivers consumer recommendations and conversions through relevant mobile advertising.
- Primarily earn revenue on a cost per converted user basis.
- The platform aims to enhance returns on marketing investment through contextual mobile ads and also by reducing digital ad fraud.
- Geographically the activities are carried out through India.
- Functioned through two segments: Consumer Platform and Enterprise Platform.

KEY STRENGTH

- 15+ years of Focused R&D.
- Robust patent portfolio with 19 patents filed across India, US and Singapore patent office.
- Differentiated business model.
- Performance driven end-to-end mobile tech platform.

BUSINESS STRATEGY

- Vernacular:** Enables hyper-personalized consumer recommendations and targeting next sets of users coming from Indian tier-2/tier-3/rural areas and other emerging markets where native, regional languages are predominant.
- Verticalization:** Draws deeper insights across the high growth industry verticals leading to greater ROI impact for the customer.
- Ecosystem-Level Partnership:** Partnerships with mobile OEMs, operators and publisher to enable exclusive access to on-device touchpoints and augment holistic advertisement across the consumers' connected journey.

KEY PRODUCT & PLATFORM DEVELOPMENTS

- Launch of Connected TV (CTV) proposition:** Empower brands to take all the benefits of mobile programmatic advertising on big screens and enables them to engage with relevant consumers.
- Launch of Appnext Out-of-Box Experience (OBBE):** Provides a major consumer touchpoint in the mobile device lifecycle enabling an integrated vernacular on-device consumer experience for the advertisers.
- Strategic in -roads to new Markets**

FUTURE OUTLOOK

- Enhance revenue from existing and new customers and strategically invest in inventory & data cost to reach the next billion shoppers on connected devices
- Expand the scope of products from just mobile to connected devices mapping consumers' end to end digital journey.
- Penetrate further in emerging markets with a key focus on delivering more conversions across industry verticals.
- Invest to develop and continuously enhance technological capabilities.
- Continue to invest in the 4V strategy of vernacular, verticalization, voice and Video.

FINANCIAL HIGHLIGHTS

- Total Revenue is Rs. 5,583 million in FY21, growing at a CAGR 49.3% since FY18.
- CPCU revenue for FY2020-21 on a consolidated basis was at Rs. 4,294.32 million, a growth of 44.8% from FY2019-20.
- EBITDA is Rs. 1,300 million in FY2, growing at a CAGR of 41.9% from FY18.
- PAT is Rs. 1,348 million in FY21 and has grown at CAGR of 69.2% since FY18.
- 105.3 million Converted users in FY2, growing at a CAGR of 41.5% since FY18.

Disclaimer: The analysis is only for information purposes only. Please consult your financial advisor, agent and broker before acting on any information. We may or may not have positions in the stock. We would not be responsible for the profit/loss resulting from this analysis.

Growth Rates % (Compound Annual)	1 Yr	3 Yr	5 Yr
Revenue	54.8	83.4	48.1
Operating Income	44.7	93.4	76.5
Earnings/Share	102.7	-	-
Dividends	-	-	-
Book Value/Share	49.8	-	-
Stock Total Return	115.2	-	-
Market +/-	88.3	-	-

Valuation Ratio	Current	5Yr Avg	Ind	Mkt.
Price/Earnings	100.6	-	97.5	15.2
Forward P/E	-	-	-	-
Price/Cash Flow	150.5	-	-	9.9
Price/Free Cash Flow	292.2	-	-	-
Dividend Yield %	-	-	0.1	2.8
Price/Book	44.3	-	7.4	2.1
Price/Sales	26.4	-	24.4	-

Profitability Ratio	Current	5Yr Avg	Ind.	Mkt.
Return on Equity	-	44.2	39.3	15.4
Return on Asset	-	21.8	20.1	5.6
Gross Margin	42.3	46.5	41.7	-
Operating Margin	21.4	18.7	28.6	-
Net Margin	26.2	15.3	25.0	21.4
Inventory Turns	-	-	-	-
Fixed Asset Turns	-	225.8	20.1	-

Financial Position (INR)	03-20(Mil.)	03-21 (Mil.)
Cash	450	47
Inventories	57,467	58,205
Receivables	—	—
Current Assets	2,321	2,507
Fixed Assets	47	32
Intangibles	1,629	3,977
Total Assets	4,019	7,526
Payables	887	1,413
Short-Term Debt	357	275
Current Liabilities	1,295	1,936
Long-Term Debt	281	893
Total Liabilities	1,728	3,934
Total Equity	2,292	3,588

Source: Company filings & Analyst Research