

Ref No: RML/2023-24/415

Date: October 27, 2023

To,

BSE Limited
Scrip Code: 543228

National Stock Exchange of India Limited
NSE Symbol: ROUTE

Dear Sir/Madam,

Sub: Investor Presentation

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we are enclosing herewith the Investor Presentation, that will be presented today to the Analysts in connection with the Unaudited Financial Results of the Company for the quarter and half year ended September 30, 2023.

You are requested to take the above information on record.

Thanking you,
Yours truly,

For Route Mobile Limited

Rathindra Das
Group Head Legal, Company Secretary & Compliance Officer
M. No. F12663

Encl: as above



Earnings Update

Q2 & H1 FY23-24

Investor Presentation

October 27, 2023

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



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



Global footprint across **20+ locations**; **2,500+** active billable clients



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



ESG leader, rated **"A"** by a reputed ESG rating agency



Major Provider in CPaaS Magic Quadrant 2023 – **Gartner**
Key Vendor in four Hype Cycle Reports – **Gartner**
Recognized as “Established Leader” – **Juniper**
“Top Tier 1 A2P SMS vendor” – **Rocco**



Strong industry tailwinds: Global CPaaS market will grow to **\$42.9bn** in 2027, from \$16.6bn in 2022 ⁽¹⁾



₹39,763mn LTM ended 30 Sep 2023 Revenue
55% Revenue CAGR FY2020 - FY2023



₹5,116mn LTM ended 30 Sep 2023 EBITDA
66% EBITDA CAGR FY2020 – FY2023



115% Net revenue retention in H1 FY23-24



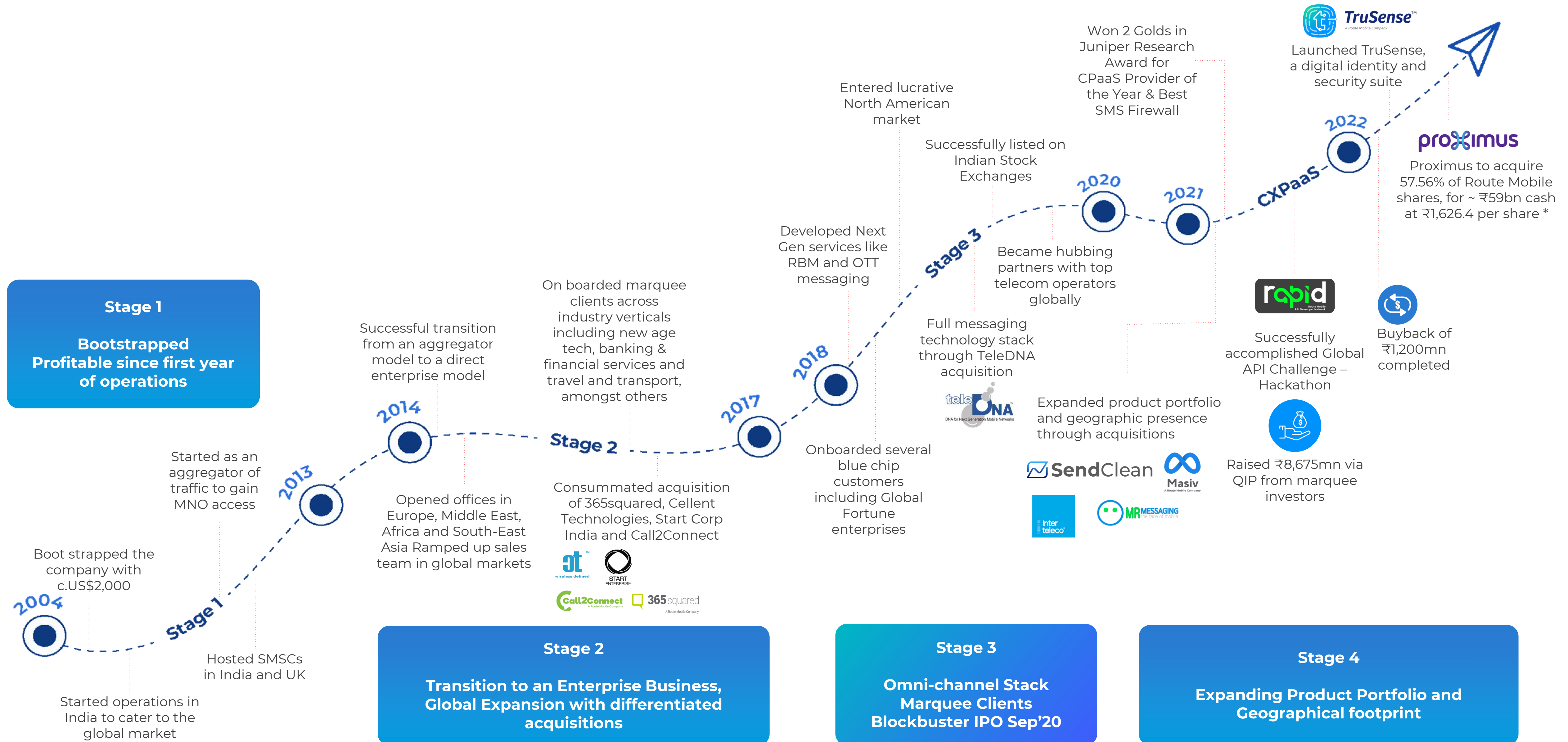
c.60.8bn Billable Transactions processed in H1 FY23-24



₹5,178mn Net cash and cash eqv. as on 30 Sep 2023
Board recommended **₹3 per share** interim dividend

(1) Juniper - CPaaS Future Market Outlook, 2023

Systematic roadmap to create sustained growth momentum



*Transaction closure is contingent upon receipt of regulatory approvals and completion of Mandatory Tender Offer (MTO)

Global Diaspora - Footprint & Super Network



16 Firewalls deployed
1 contract won

19 virtualized Data Centers

18 Hubs

800+ Employees

280+ Super Network
Widespread global distribution & reach

Key Developments

Key Developments since Q1 FY 23-24

Signed an **exclusive partnership with Vodafone Idea Ltd.**, to provide A2P SMS Monetization Solutions

route mobile communication simplified + VI

Appointed as **exclusive partner with an MNO in APAC region** for International A2P SMS services

Enabled WhatsApp-based ticket booking system for Delhi Metro

Partnered with **Robi Axiata Limited ("Robi")** in Bangladesh as a Technical enabler and Sales partner for RCS Business Messaging

Awarded Best Governance in Mega Category at **India Family Business Awards 2023**

WINNER - ROUTE MOBILE
MEGA CATEGORY
BEST GOVERNANCE

Hosted the first edition of our flagship event, Route Amplify aimed to create conversations around key themes like **'Customer Engagement and 'Digital Identity'**

Featured as a Key Vendor in 4 **Gartner Hype Cycle Reports 2023**

Featured as a Major Provider in **Gartner CPaaS Magic Quadrant 2023**

Proximus transaction update – Indicative Timelines

- Proximus Group to acquire **57.56%** of Route Mobile (fully diluted), through Proximus Opal, for ~ ₹59,224mn cash at ₹1,626.40 per share
- Proximus Opal will launch an MTO for up to **26%** of the fully diluted outstanding shares at ₹1,626.40 per share
- Founding shareholders of Route Mobile to re-invest ~€299.6mn in Proximus Opal, for up to **14.5%** of the shares.
- **Rajdip Gupta** (CEO of Route Mobile) will lead the CPaaS activities and **Christophe Van de Weyer** (CEO of Telesign) will lead the Group Digital Identity activities

Expect to receive all the required statutory approvals, complete the MTO process and close the underlying transaction in Q1 CY2024

July'23

Start/mid Q1 CY2024

Expected Deal Closing
Around end Q1 CY2024



Regulatory

Regulatory approvals

- The underlying transaction and MTO are subject to regulatory approvals:
 - Committee for Foreign Investment in the United States (**CFIUS**),
 - Belgian Inter-Federal Service Commission (**Belgian ISC**), and
 - Merger-control related approvals in **9 countries**, Kuwait, UAE, Saudi Arabia, Nigeria, Morocco, Cyprus, Ireland, Albania and Colombia
- The process to obtain the regulatory approvals for the closure of the underlying transaction is **currently ongoing**

Mandatory Tender Offer (MTO)

- The Draft Letter of Offer (DLoF) for the MTO was filed by the Acquirer (Proximus Opal) on **31 July 2023** and is currently under review with SEBI
- The MTO process would begin post receipt **of all requisite statutory approvals**



Preparation activities

Integration Preparation activities



Integration Governance
Proximus, Route Mobile & Telesign



High-level **Operating Model** defined
≥ **\$100mn synergies*** confirmed

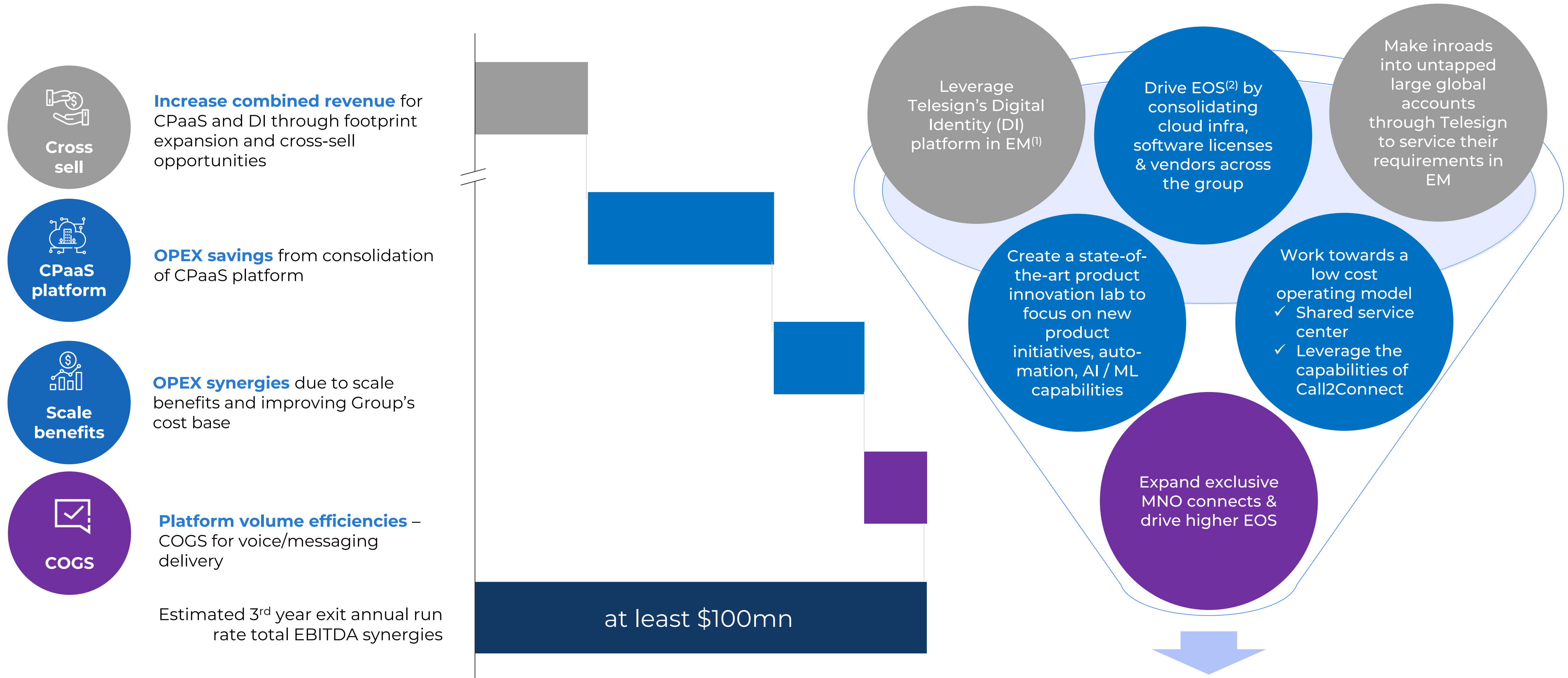
Detailed Design & value sizing
completed for all synergy
initiatives

*Interim analysis captured in the
next slide*

Fully prepared with detailed,
phased **transition plan** finalized
and complete readiness to **start
implementation** on “Day 1” after
closing

* Estimated 3rd year exit annual run rate total EBITDA synergies

Value Sizing for Synergies – Interim analysis



These initiatives will help Route Mobile accelerate its journey towards a Billion Dollar revenue and achieve the 15% EBITDA margin target by 2027

(1) EM – Emerging Markets viz. Indian subcontinent, Middle East, Africa and LatAm
 (2) EOS – Economies of Scale

Focus on Expanding Product Portfolio

Driving Product momentum through Dedicated SBUs

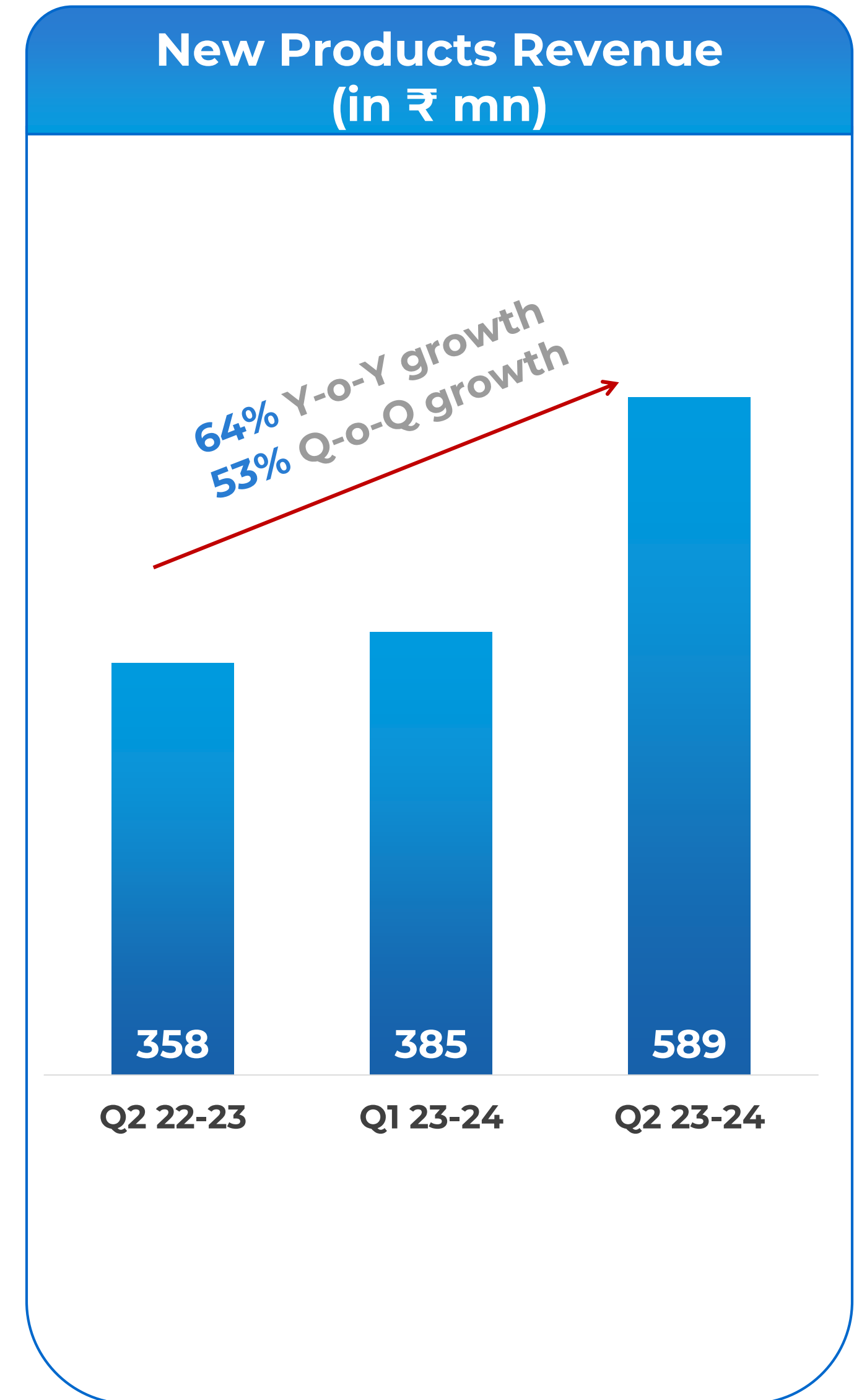
Conversational Bot

Email

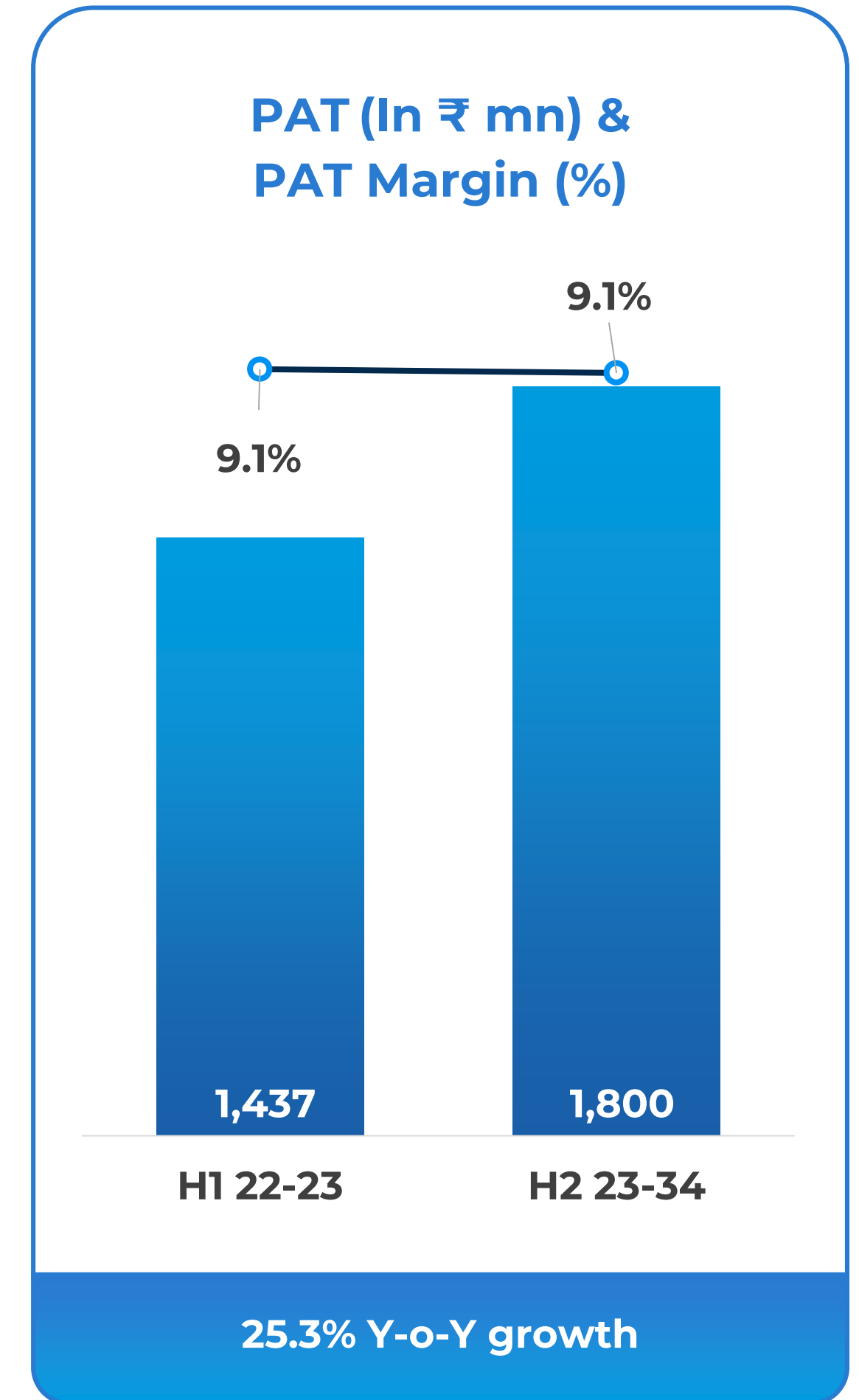
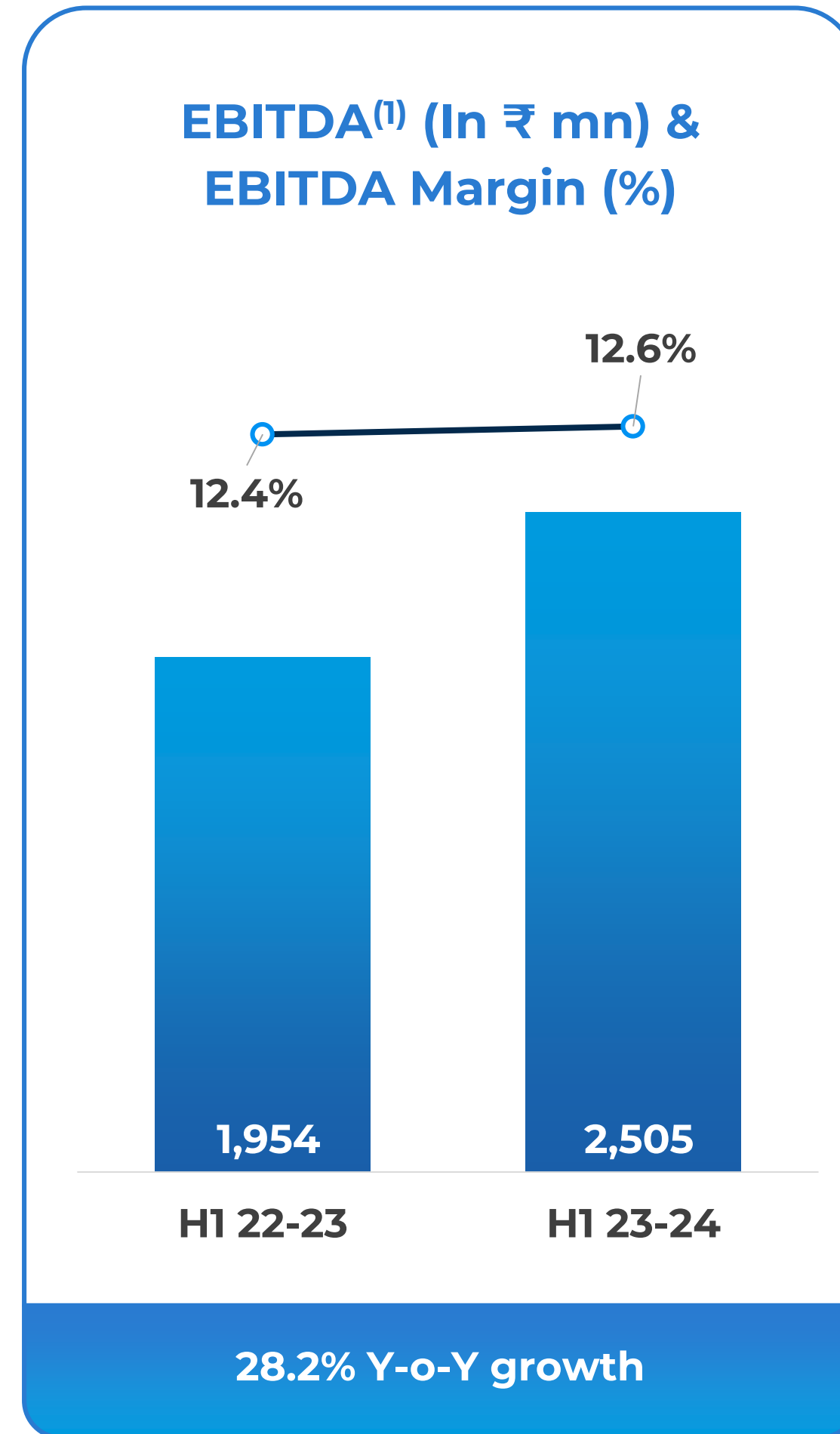
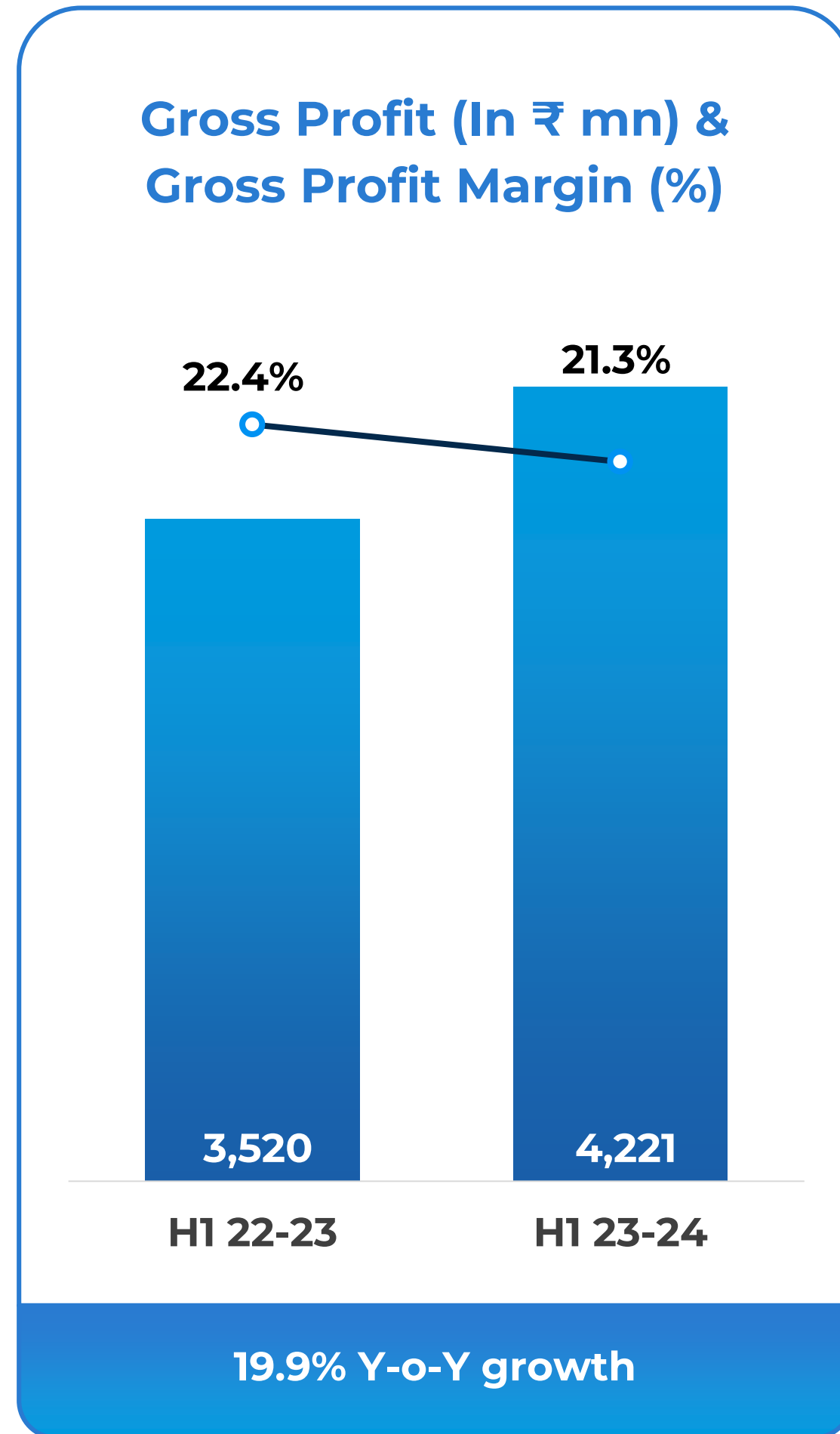
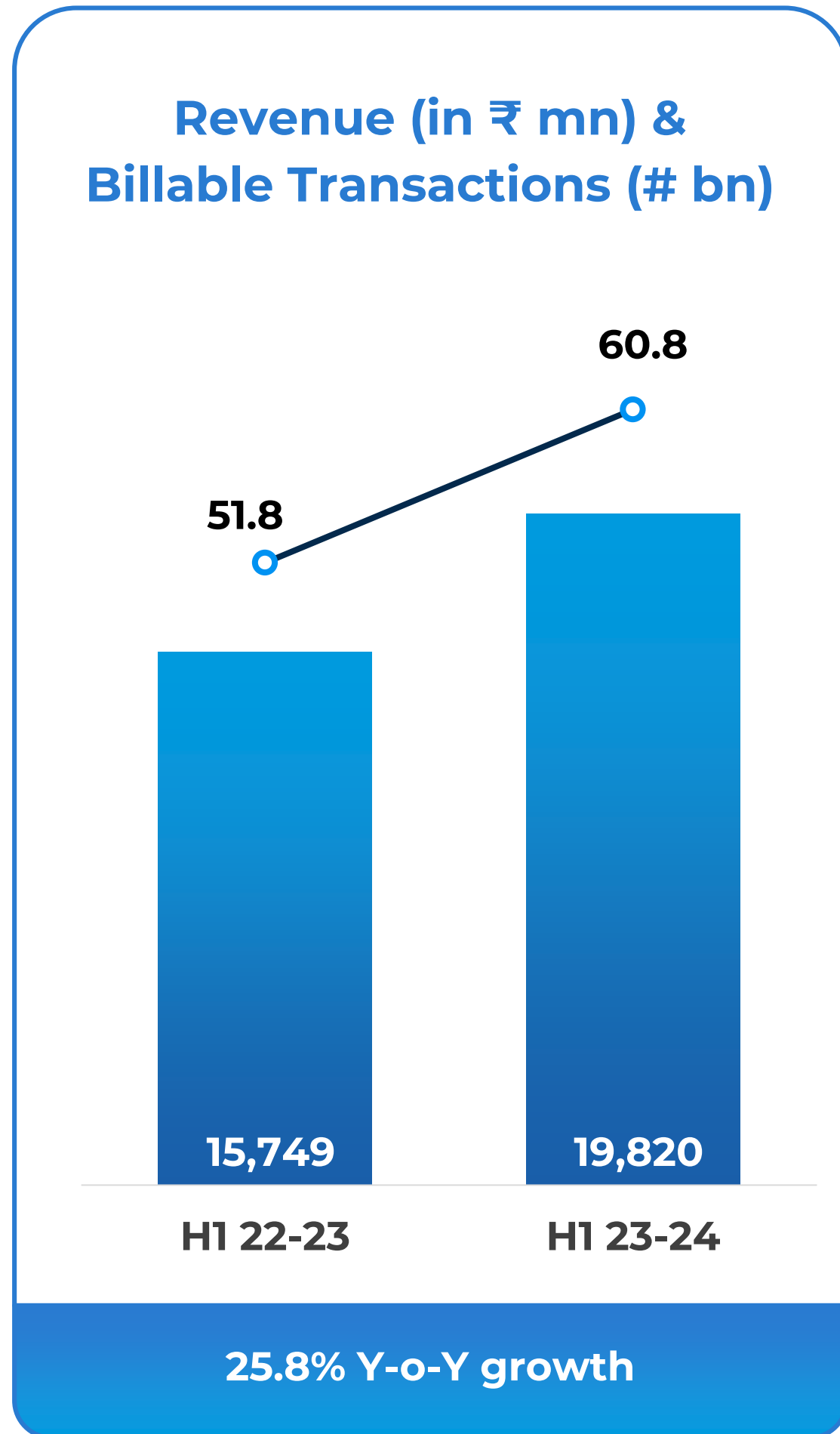
TruSense

Deployed WhatsApp + Roubot to Enable WhatsApp-based ticket booking system for Delhi Metro

- Seamless ticketing for 25+ Lakh commuters
- Game-changer for commuters in the National Capital Region (NCR) of India



Financial Highlights



1. EBITDA (Non GaaP) adjusted for net loss on FX transactions and translation, ESOP benefit expenses (non-cash) and Intangible assets under development

Financial Highlights for H1 23-24

- Closed H1 23-24 with revenue from operations of **₹19,820mn** compared to **₹15,749mn** in H1 22-23
- Y-o-Y growth of **25.8%** in Revenue

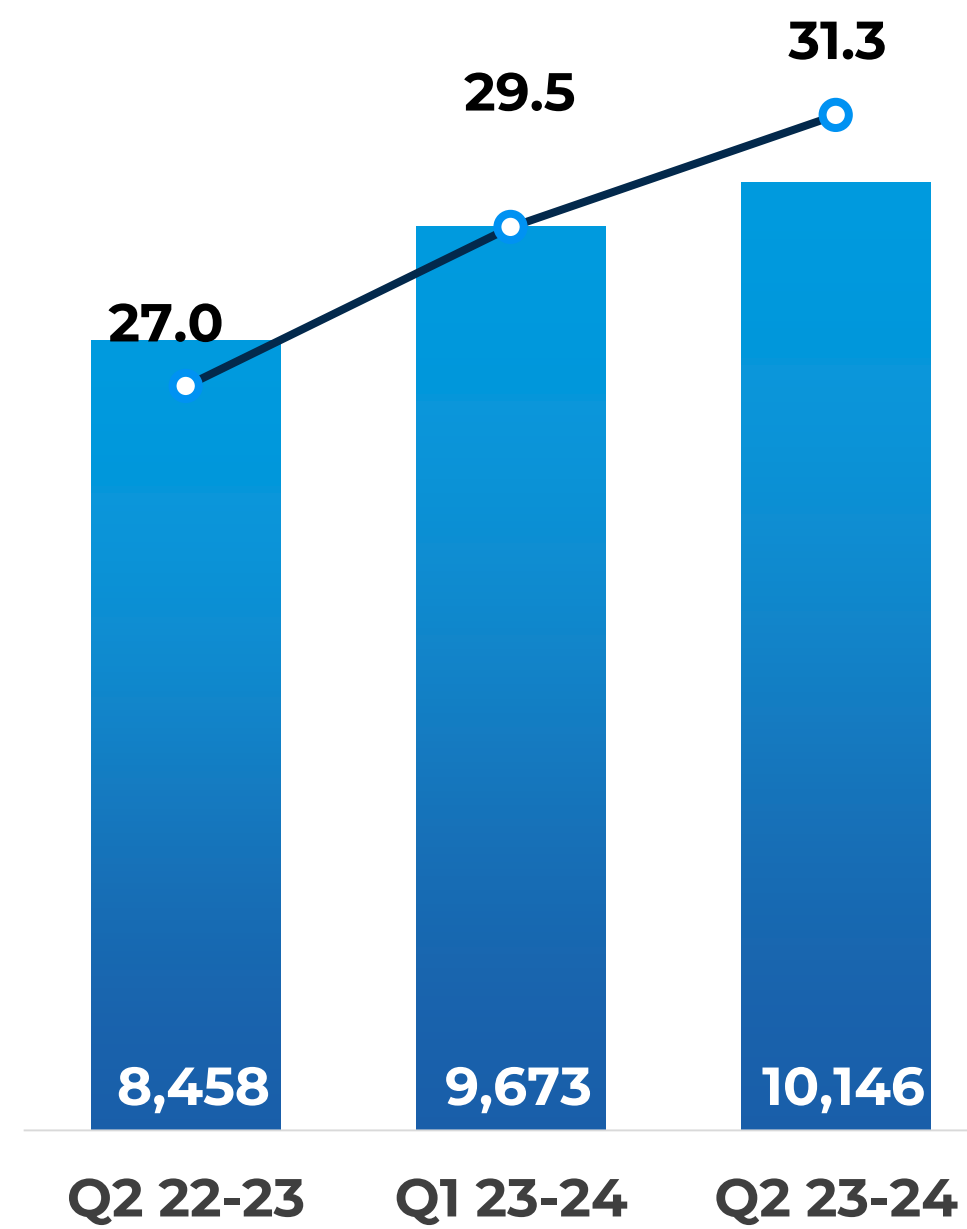
-
- Recorded Gross Profit of **₹4,221mn** in H1 23-24 compared to **₹3,520mn** in H1 22-23
 - Y-o-Y growth of **19.9%** in Gross Profit
 - Gross Profit margin of **21.3%** and **22.4%** in H1 23-24 and H1 22-23 respectively

-
- EBITDA of **₹2,505mn** in H1 23-24 compared to **₹1,954mn** in H1 22-23
 - Y-o-Y growth of **28.2%** in EBITDA
 - EBITDA margin of **12.6%** and **12.4%** in H1 23-24 and H1 22-23 respectively
 - Adjusted for ESOP benefit expenses; Intangible assets under development of ₹59.9mn (in H1 FY 23-24) and Net loss on FX transactions and translation

-
- Recorded Profit After Tax of **₹1,800mn** in H1 23-24 compared to **₹1,437mn** in H1 22-23
 - Y-o-Y growth of **25.3%** in Profit After Tax
 - PAT margin of **9.1%** and **9.1%** in H1 23-24 and H1 22-23 respectively

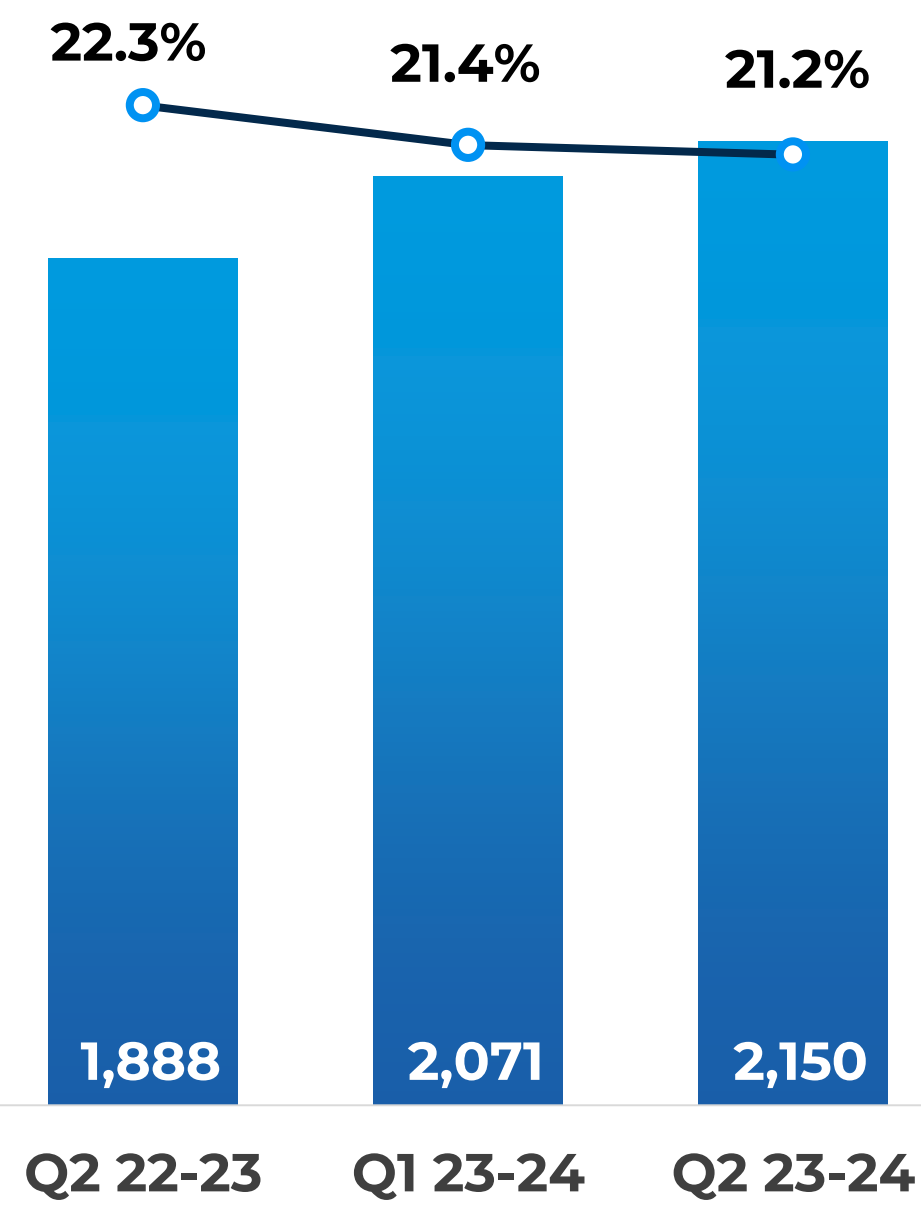


Revenue (in ₹ mn) & Billable Transactions (# bn)



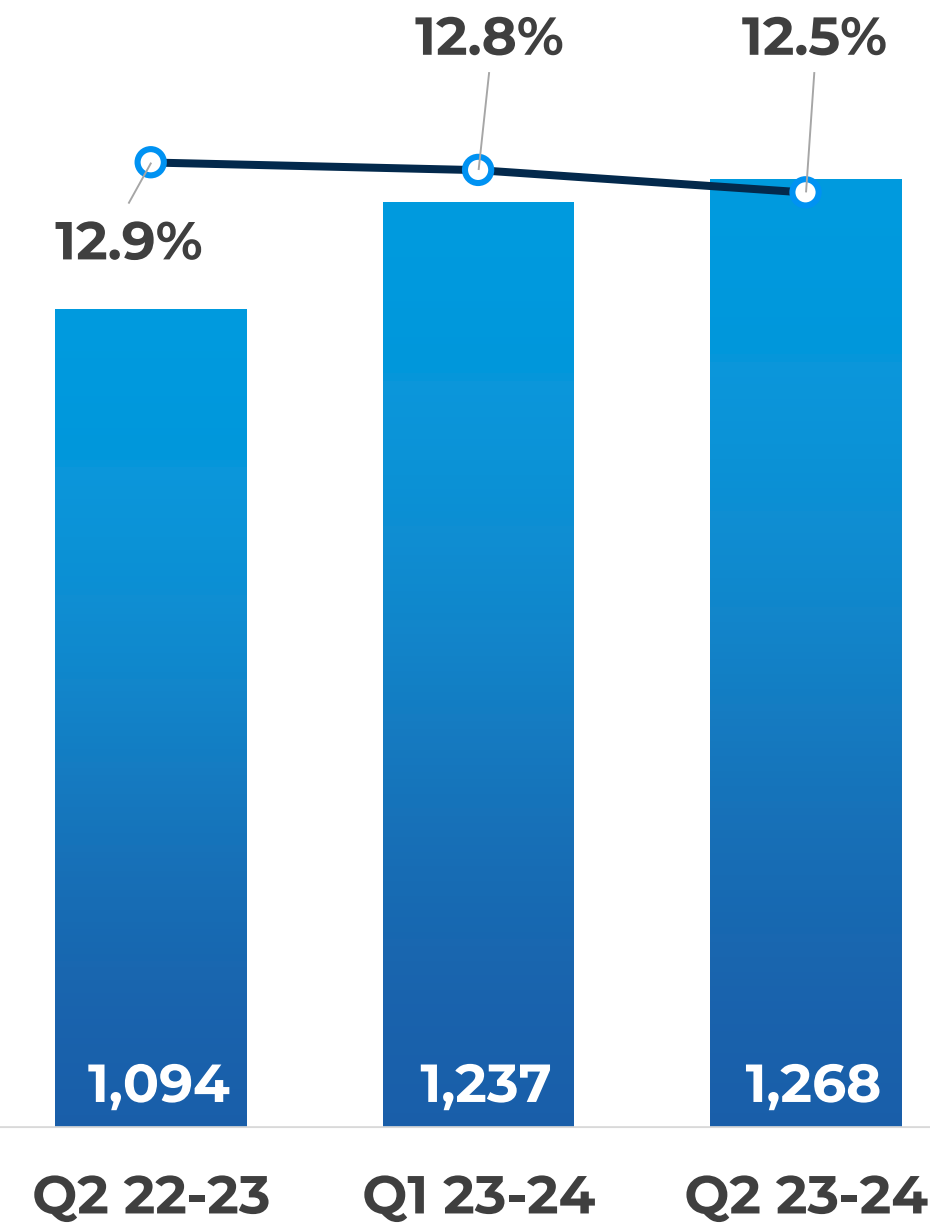
20.0% Y-o-Y growth
4.9% Q-o-Q growth

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



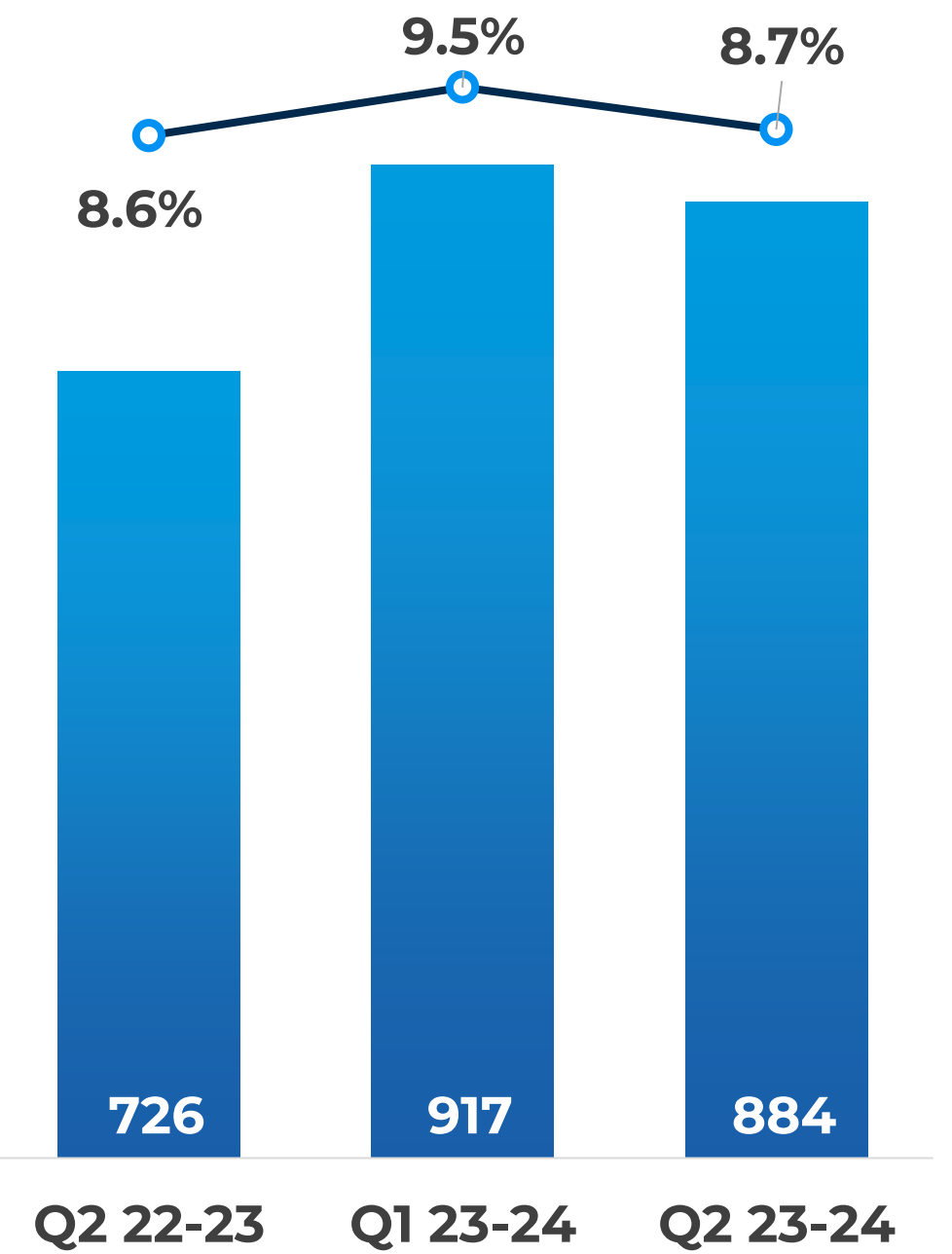
13.9% Y-o-Y growth
3.8% Q-o-Q growth

EBITDA⁽¹⁾ (In ₹ mn) & EBITDA Margin (%)



15.9% Y-o-Y growth
2.5% Q-o-Q growth

PAT (In ₹ mn) & PAT Margin (%)



21.6% Y-o-Y growth
(3.6%) Q-o-Q growth

1. EBITDA (Non GaaP) adjusted for net loss on FX transactions and translation, ESOP benefit expenses (non-cash) and Intangible assets under development

Financial Highlights for Q2 FY23-24

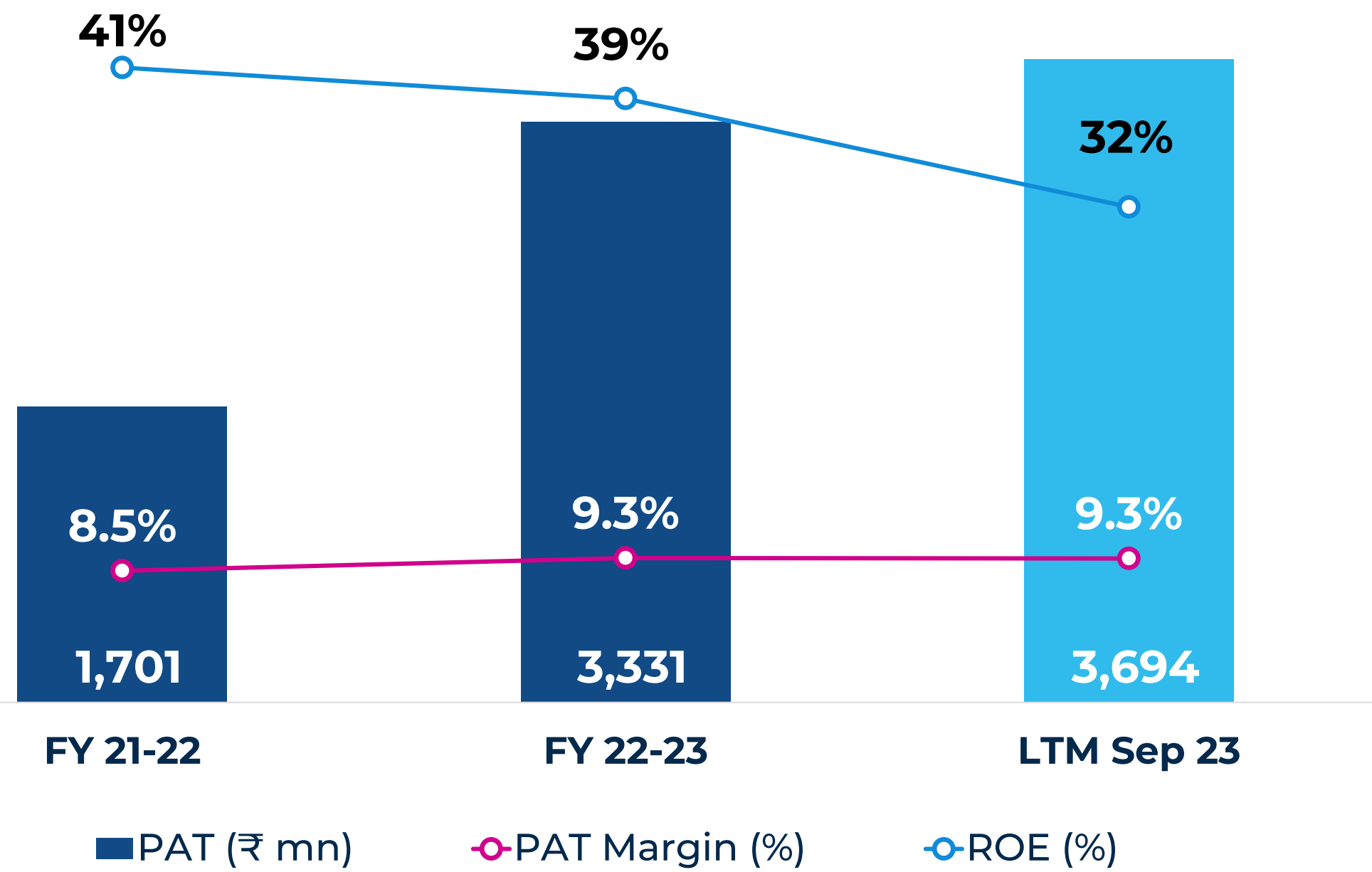
- Closed Q2 FY23-24 with revenue from operations of **₹10,146mn** compared to **₹9,673mn** in Q1 FY23-24 and **₹8,458mn** in Q2 FY22-23
 - Y-o-Y growth of **20.0%** and sequential growth of **4.9%** in revenue
-
- Recorded Gross Profit of **₹2,150mn** in Q2 FY23-24 compared to **₹2,071mn** in Q1 FY23-24 and **₹1,888mn** in Q2 FY22-23
 - Y-o-Y growth of **13.9%** and sequential growth of **3.8%** in Gross Profit
 - Gross Profit margin of **21.2%, 21.4%, and 22.3%** in Q2 FY23-24, Q1 FY23-24 and Q2 FY22-23 respectively
-
- EBITDA of **₹1,268mn** in Q2 FY23-24 compared to **₹1,237mn** in Q1 FY23-24 and **₹1,094mn** in Q2 FY22-23
 - Y-o-Y growth of **15.9%** and sequential growth of **2.5%** in EBITDA
 - EBITDA margin of **12.5%, 12.8%** and **12.9%** in Q2 FY23-24, Q1 FY23-24 and Q2 FY22-23 respectively
 - Adjusted for ESOP benefit expenses; Intangible assets under development of ₹30.6mn (in Q2 FY 23-24) and Net loss on FX transactions and translation.
-
- Recorded Profit After Tax of **₹884mn** in Q2 FY23-24 compared to **₹917mn** in Q1 FY23-24 and **₹726mn** in Q2 FY22-23
 - Y-o-Y growth of **21.6%** and sequential de-growth of **3.6%** in Profit After Tax
 - PAT margin of **8.7%, 9.5%, and 8.6%** in Q2 FY23-24, Q1 FY23-24 and Q2 FY22-23 respectively



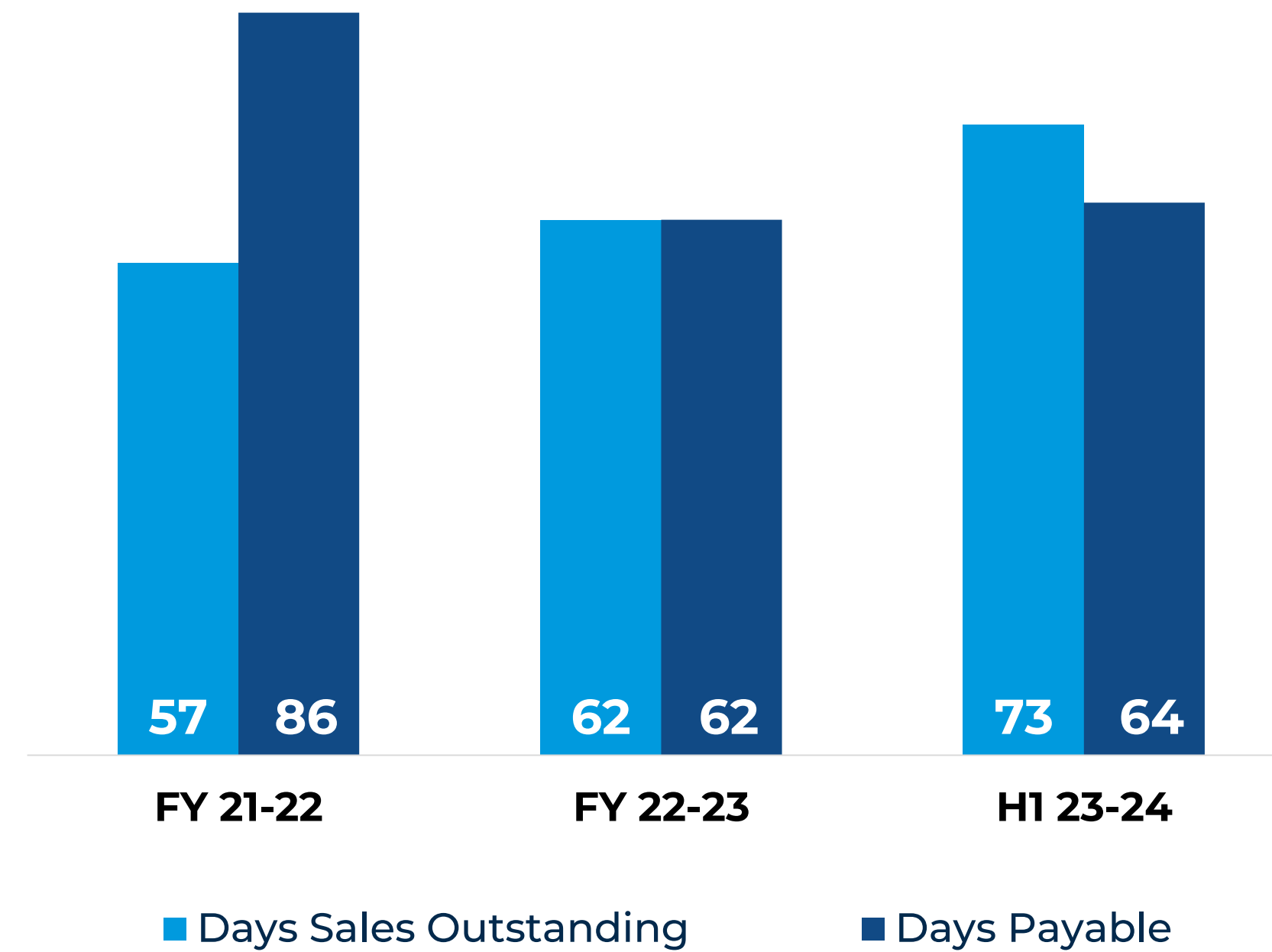
Normalized Cash Flow

(₹ in million)	H1 FY23-24 (6M ended 30 Sep 2023)	H2 FY22-23 (6M ended 31 Mar 2023)	H1 FY22-23 (6M ended 30 Sep 2022)
Profit before tax (Ind AS)	2,140.6	2,234.9	1,580.1
Adjustments for non-cash and non operating items	480.6	377.6	641.5
Adjustments for working capital			
(Increase) in trade receivables	(1,987.4)	(1,378.8)	(616.3)
(Increase) in financial assets and other assets	(2,807.8)	(736.6)	(830.7)
Increase/(decrease) in trade payables, provisions and other liabilities	1,515.2	264.7	(469.7)
Direct taxes paid (net)	(382.7)	(268.9)	(65.4)
Net Cash generated from Operation Activities (Ind AS)	(1,041.5)	493.0	239.7
(+) Security deposit / Advance payment made to service providers (MNOs) by Route Mobile subsidiaries <i>(related to exclusive Firewall deal, refer Auditors notes in the cash flow statement)</i>	2,978.7	1,173.9	-
(+) GST Payment for prior period (FY19-20)	-	161.0	-
Normalized Cash Flow from Operation (Normalized CFO)	1,937.2	1,827.9	239.7
EBITDA (Non-GAAP)	2,504.8	2,611.8	1,953.8
Normalized CFO/EBITDA	77%	70%	12%

PAT, PAT Margin (%) and ROE⁽¹⁾

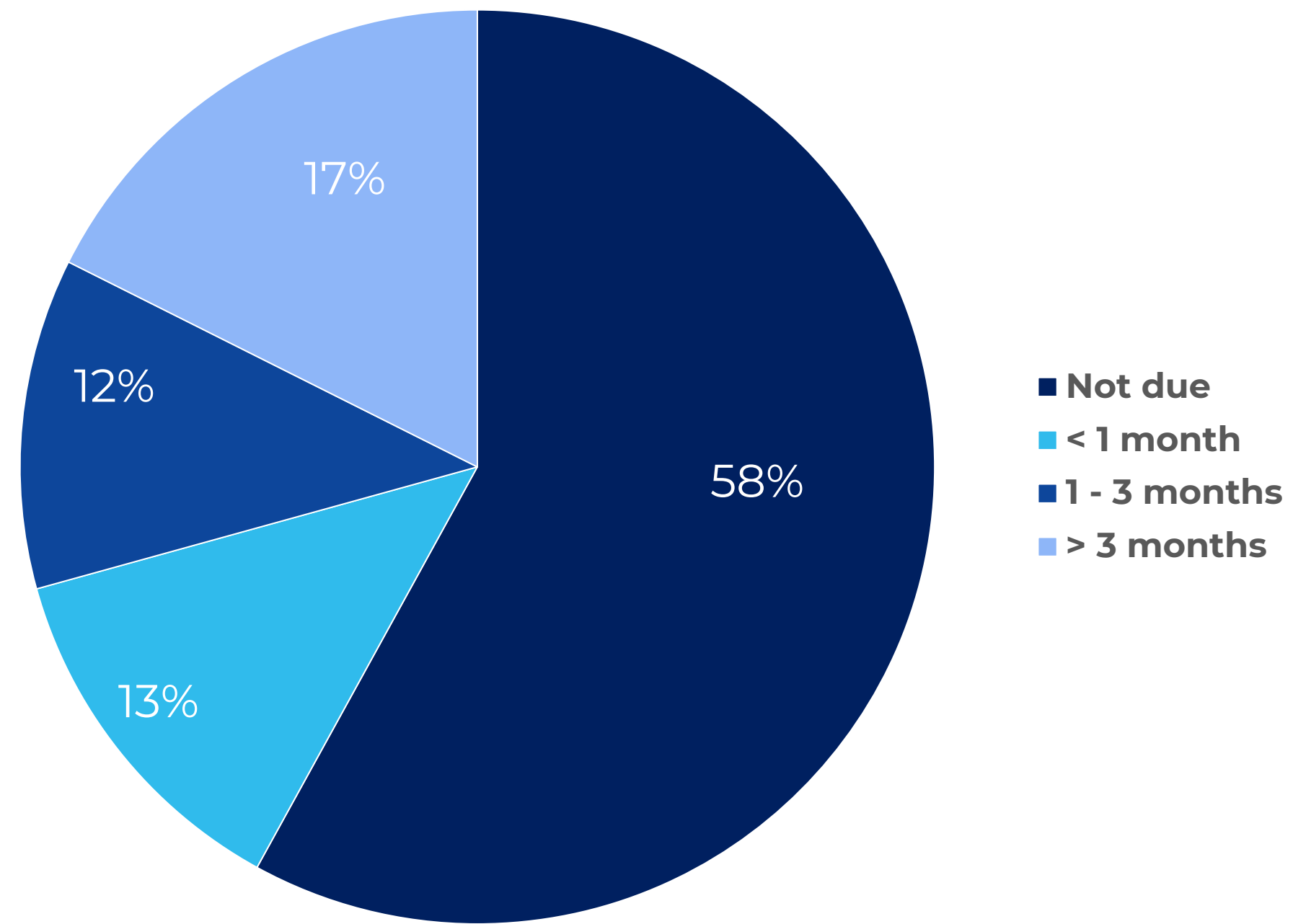


Working Capital Trend



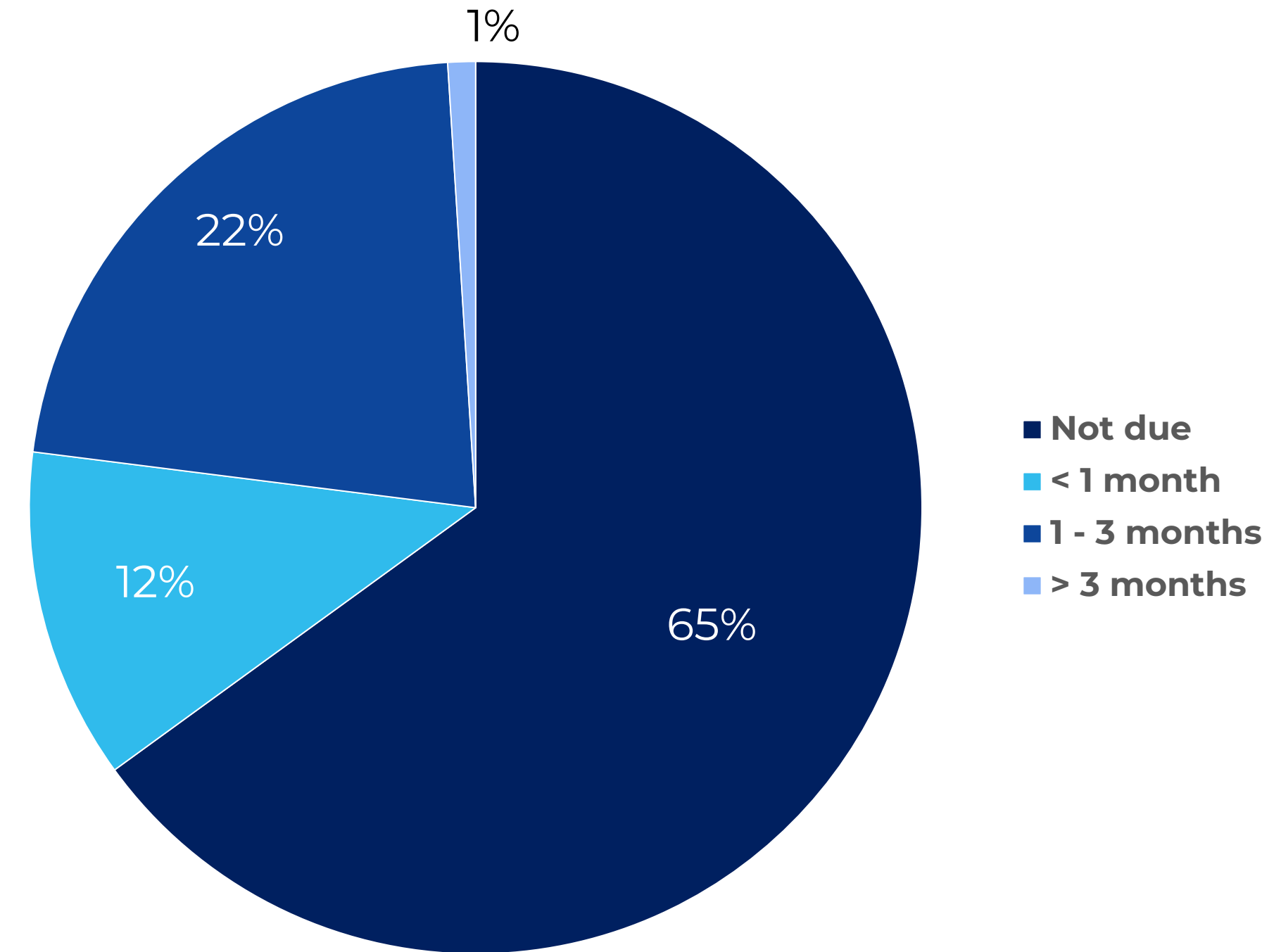
(1) ROE calculated using average Equity (less net cash and cash equivalent)

Trade Receivables Ageing



Trade Receivables as on Sep 30, 2023: ₹8,963mn

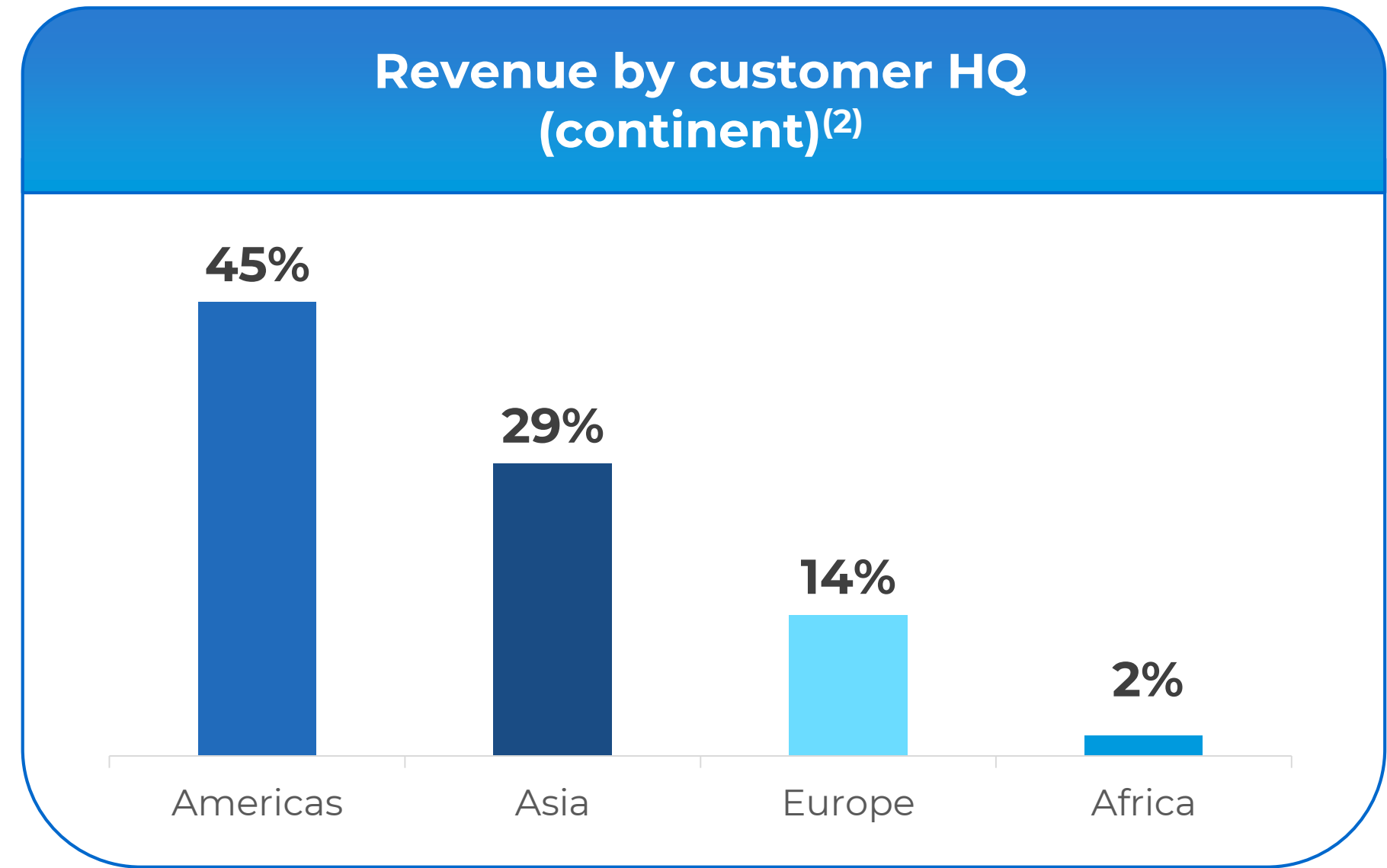
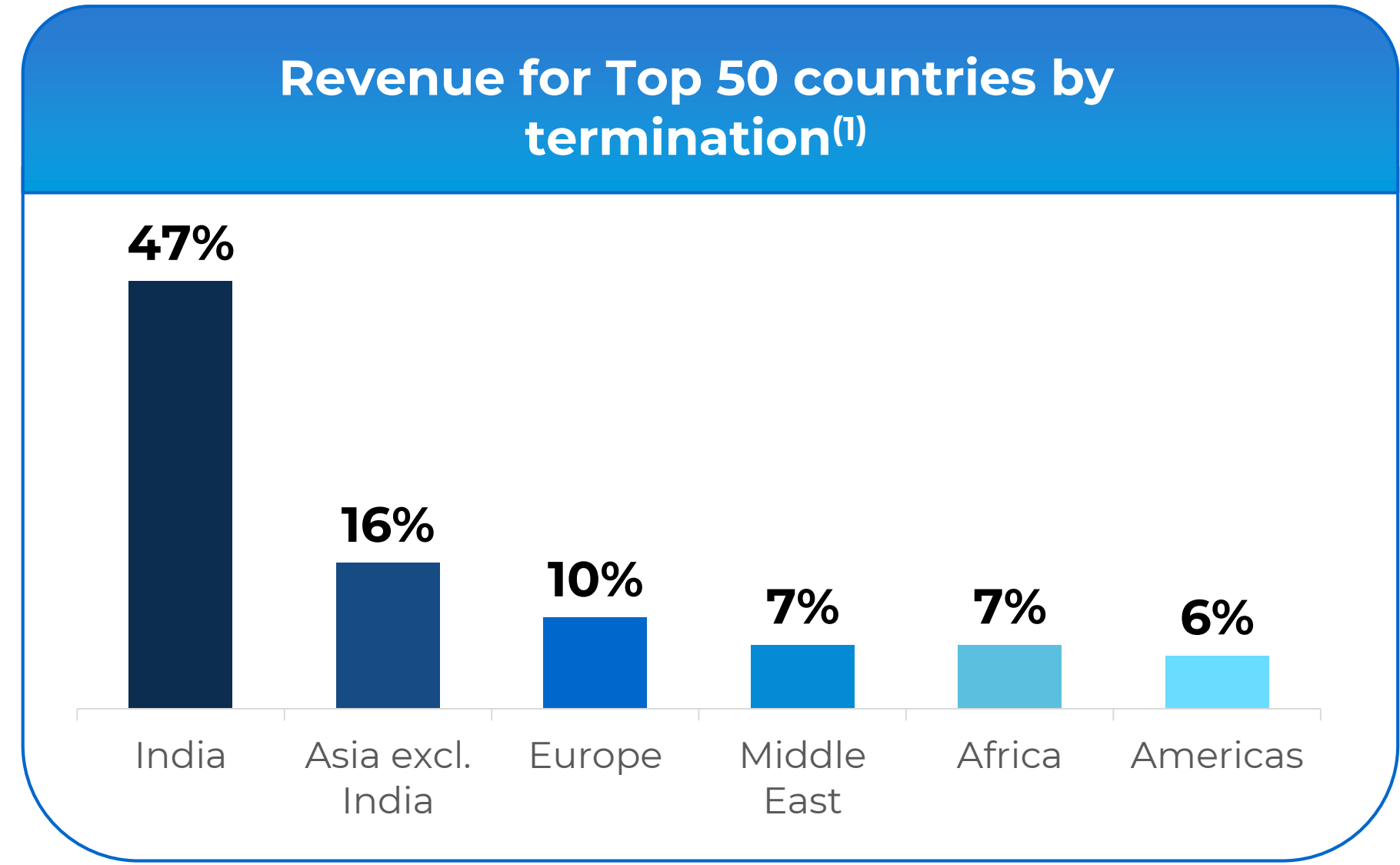
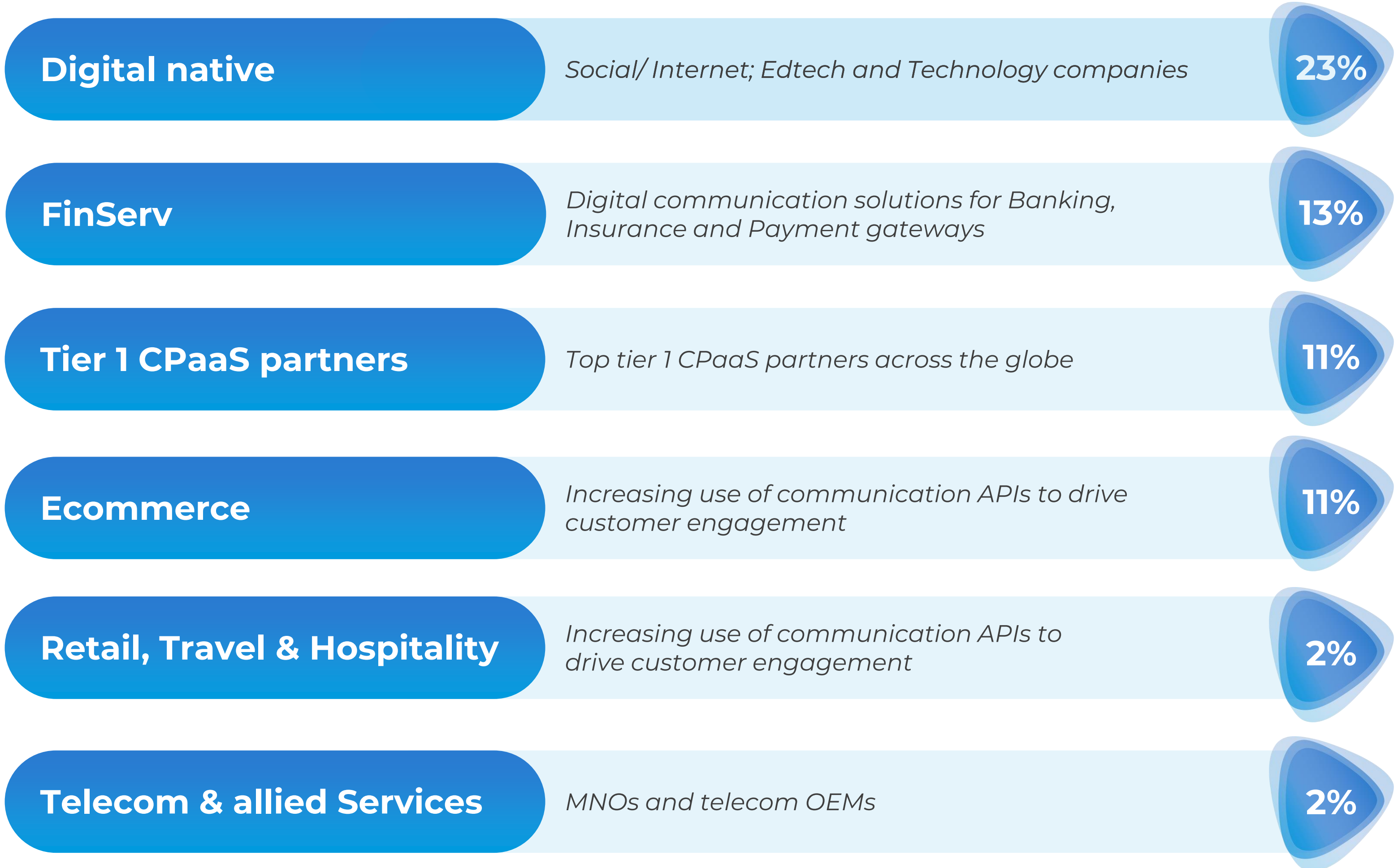
Trade Payables Ageing



Trade Payables as on Sep 30, 2023: ₹6,268mn

Key Business Metrics

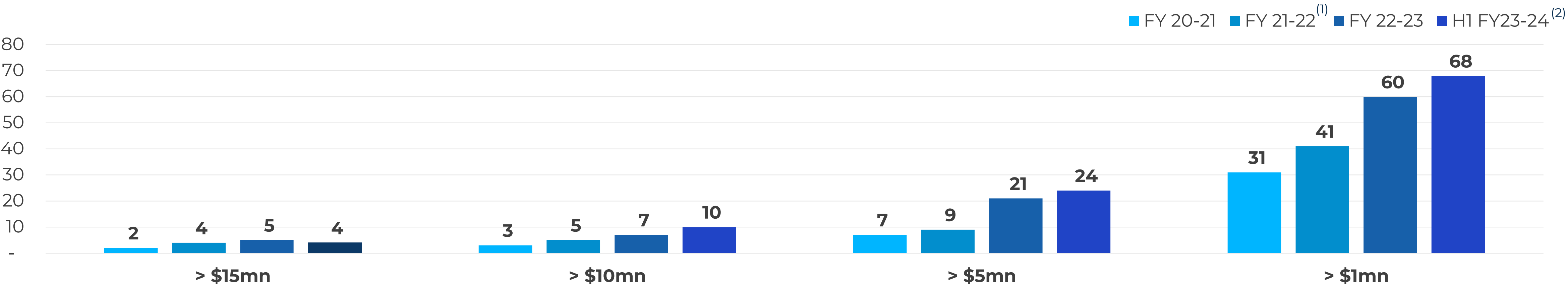
Revenue contribution from select industries in H1 FY23-24



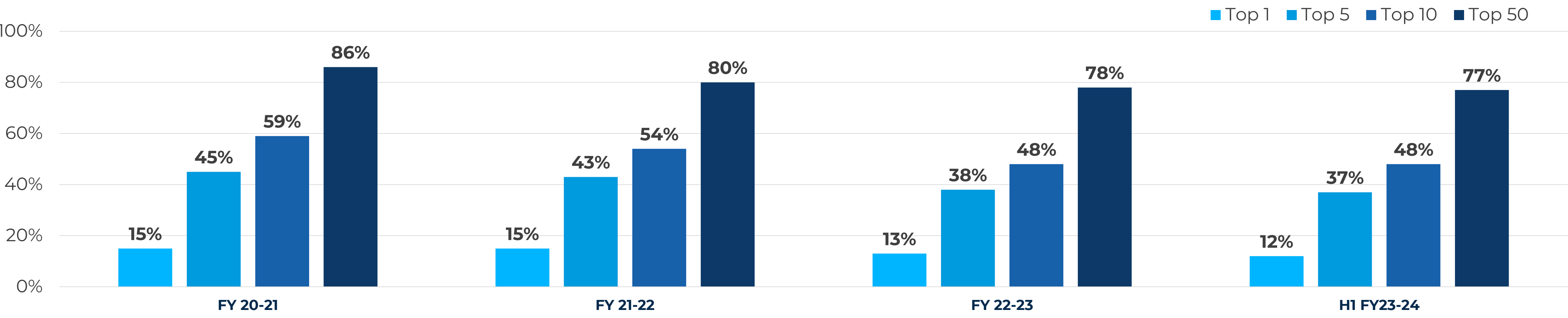
⁽¹⁾ Top 50 countries contribute c. 94% of H1 FY23-24 revenue from operations | ⁽²⁾ Top 150 customers - contribute c. 90% of H1 FY23-24 revenue from operations

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

Clients by Account Size



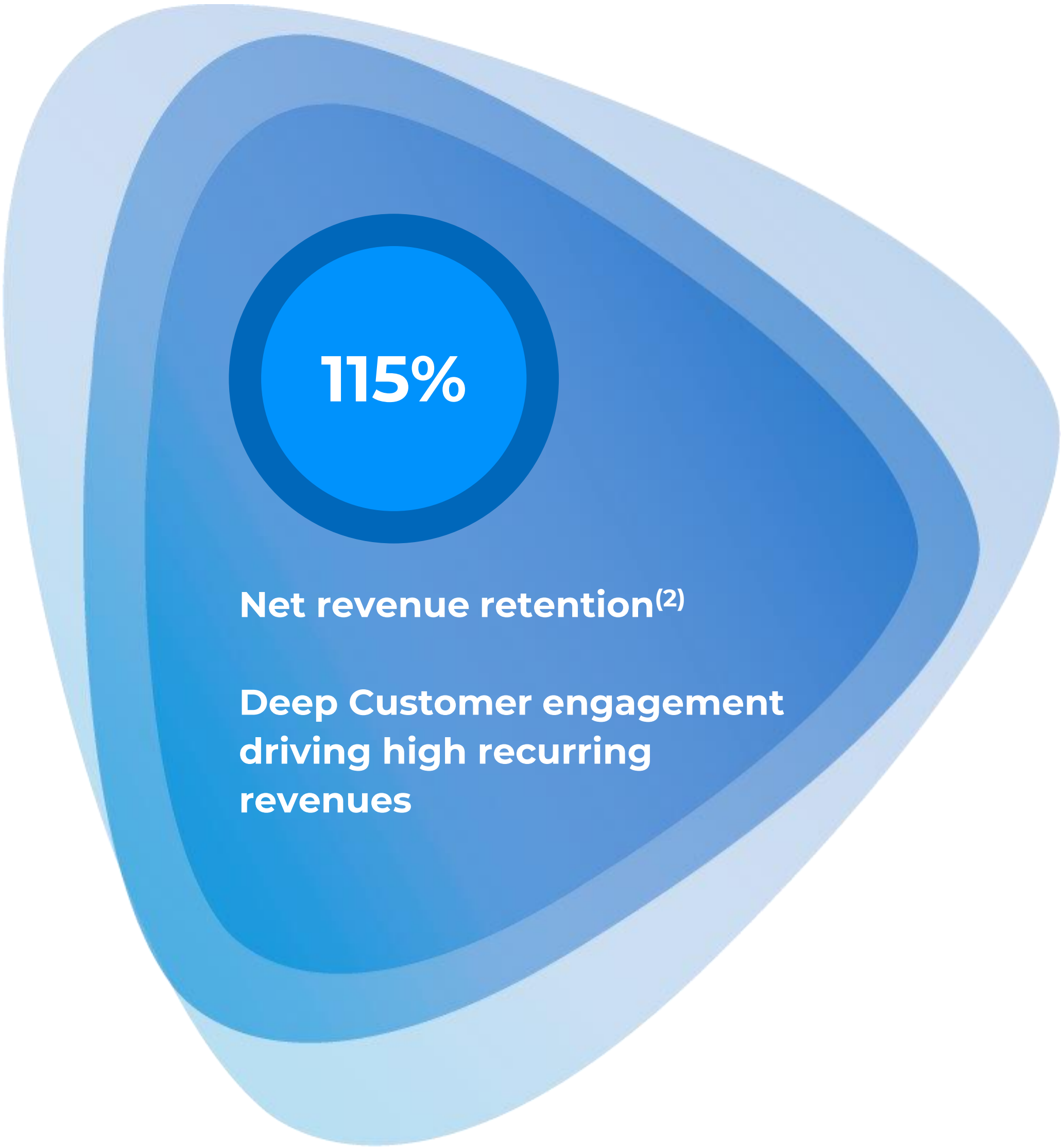
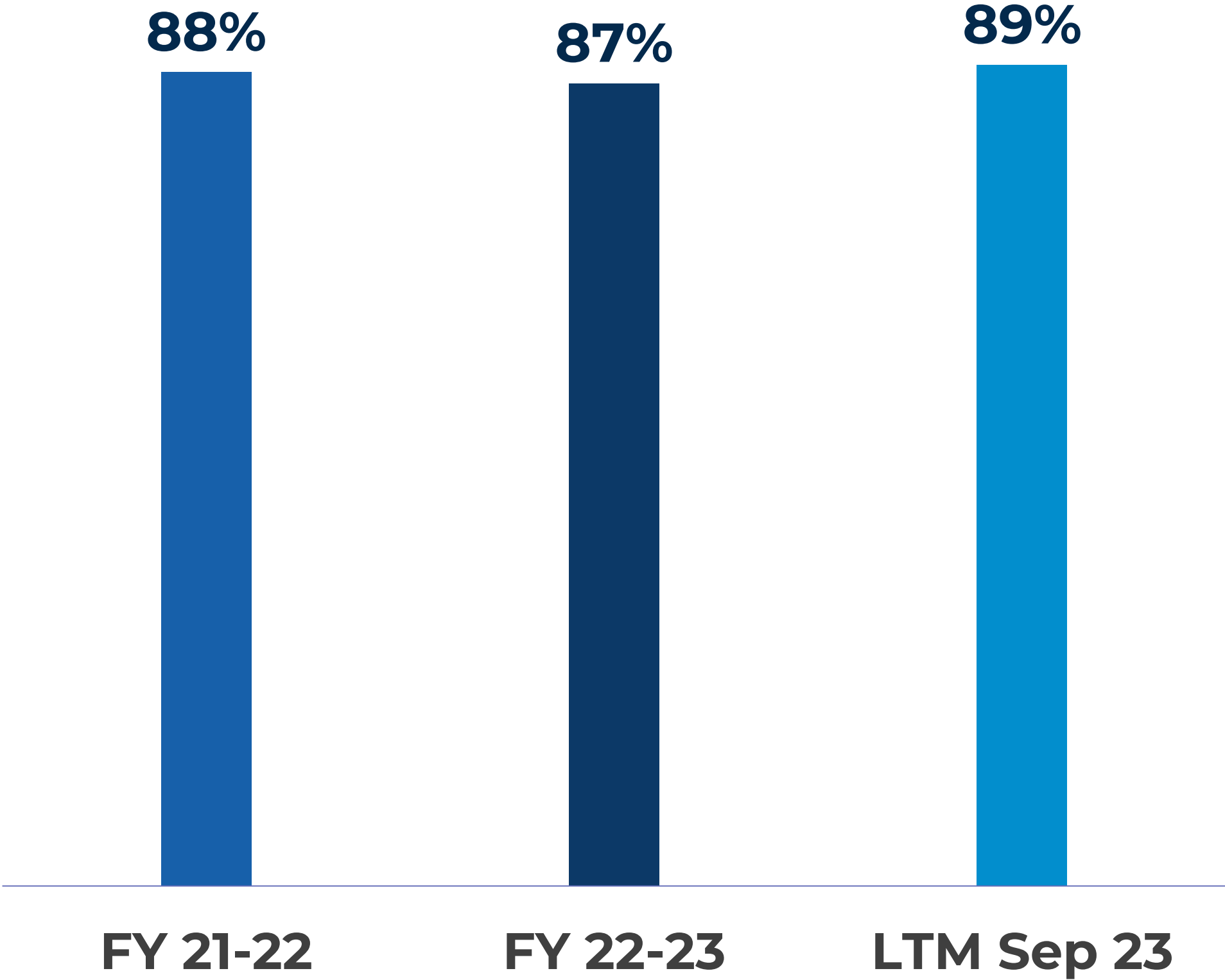
Client Concentration



(1) Excludes MRM (one of the clients of RML) from this analysis post acquisition; (2) H1 FY23-24 Annualized

Strong Recurring Revenue

Recurring Revenue⁽¹⁾ as % of Operating Revenue



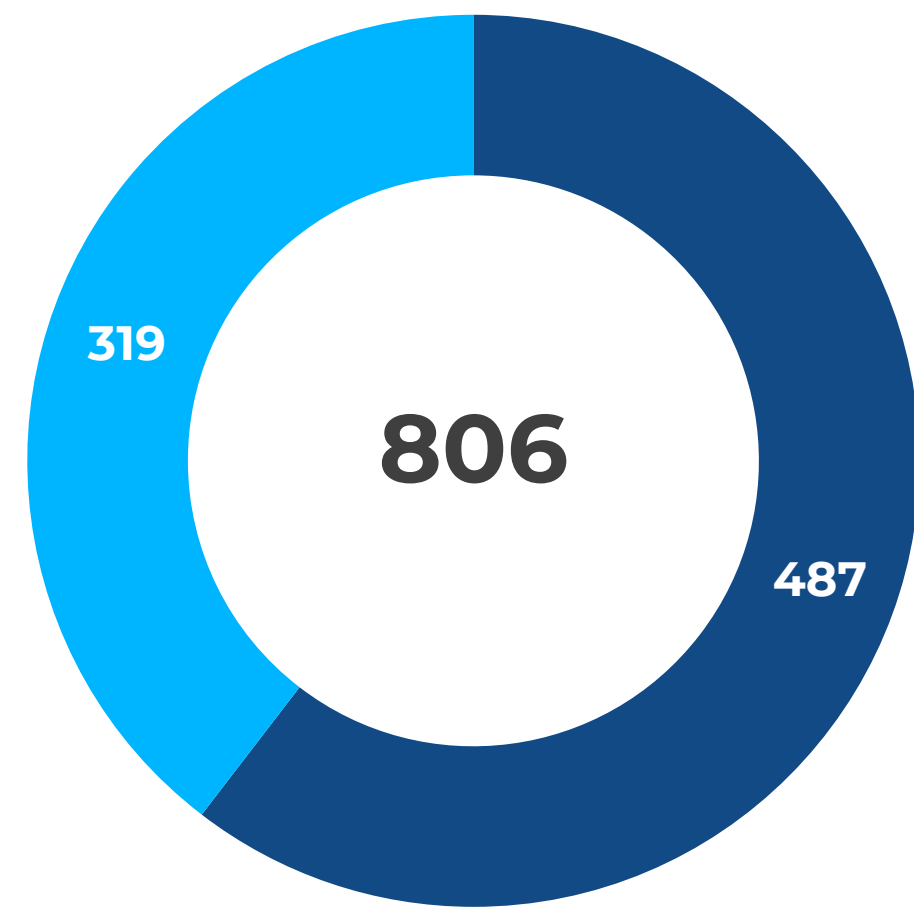
(1) Recurring customers defined as customers that have been billed in each of the months over the respective period for FY21-22 & FY22-23; and customers billed each month over October 1 2022 – September 30, 2023 for LTM Sep 2023
(2) Net revenue retention calculated based on comparison of H1 FY22-23 revenue with H1 FY23-24 revenue.

EBITDA – Non GAAP

Particulars (In ₹ mn)	Quarter Ended			Half year	
	30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022
Profit before tax (Ind AS)	1,038.3	1,102.3	822.7	2,140.6	1,580.1
(-) Other income	36.8	108.2	22.6	145.0	170.5
(+) Finance costs	65.5	67.1	40.9	132.6	82.6
EBIT	1,067.0	1,061.3	841.0	2,128.2	1,492.2
(+) Depreciation and amortisation expense	214.4	211.3	188.4	425.7	384.1
(+) Employee stock option expense (non cash)	(74.4)	34.7	85.7	(39.7)	157.7
(+) Net loss on foreign currency transactions and translation	91.4	(41.0)	14.9	50.4	14.9
(-) Intangible assets under development	30.6	29.3	36.3	59.9	95.1
EBITDA (Non-GAAP)	1,267.8	1,236.9	1,093.7	2,504.8	1,953.8
EBITDA margin % on a Non-GAAP basis	12.5%	12.8%	12.9%	12.6%	12.4%

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.

Location wise break-up

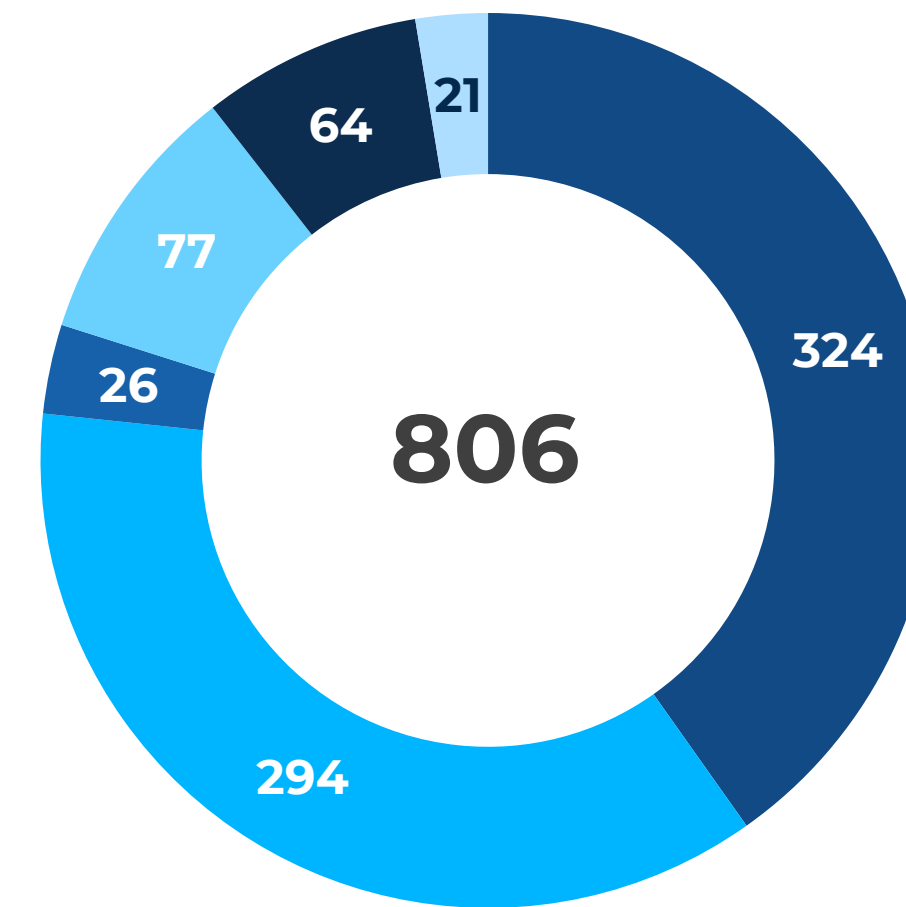


■ India ■ International

98 New Employees joined in **Q2 FY23-24**

40 Employees left in **Q2 FY23-24**

Function wise break-up



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



Thank You

www.routemobile.com

