Increasing digital adoption driving strong growth

Route Mobile (ROUTE) is a fast-growing Communication Platform as a Service (CPaaS) company. Route’s core product (approximately 85% of revenues) is its SMS-based product, through which Route’s clients can offer services such as 2-factor authentication, bank transaction updates, e-commerce delivery updates, etc. to their end-customers via SMS. Route has a marquee client list including Facebook, Google, ICICI Bank, etc. Route’s revenues have grown at a 5-year CAGR of 34%, driven by rising digital adoption and aided by several acquisitions. The overall CPaaS industry is expected to grow at 31% CAGR for the next 5 years, and Route’s focus on fast-growing industries & acquisitions should enable it to grow faster than the market. After raising Rs8,675mn via a QIP in September 2021, Route has made acquisitions worth Rs5,310mn over the past 6 months and has cash reserves of over Rs10,000mn for further acquisitions. The company is also returning cash to shareholders via dividends & buybacks. We expect revenues/EBITDA/PAT to grow at 41%/52%/41% over FY22-24E and value Route Mobile at 33x FY24 EPS to arrive at a target price of Rs1,733 with a 17% upside. Initiate with a BUY rating.

CPaaS is a fast-growing industry marked by rapid global consolidation

The global CPaaS industry has seen rapid growth of 41% CAGR over the past 2 years driven by increased digital adoption in key markets such as India (47% of Route Mobile revenues). The industry is expected to grow at 31% CAGR over the next 5 years as new CPaaS technologies (OTT, RCS, etc.) grow exponentially and digital adoption continues. The industry has also seen rapid consolidation with industry leaders making 46 acquisitions since 2020. Telecommunication giants like Cisco & Ericsson have also entered the market via large acquisitions further outlining industry attractiveness.

Increasing number of digital transactions will drive organic growth for Route Mobile

Route Mobile earns revenue on a per-transaction basis, and benefits from increasing number of digital transactions conducted by its clients’ end-customers. Transactions handled by Route Mobile have increased from 20.8bn in FY18 to 52bn in FY22 (26% CAGR). Increasing number of online transactions, growing awareness of security features like 2 factor authentication, and higher e-commerce penetration should all drive revenue growth for Route Mobile.

Acquisitions will drive Route Mobile’s entry into new business areas & geographies

Route has made several acquisitions over the past 6 months aimed at penetrating into newer geographies. These acquisitions have helped Route expand its geographical footprint in Latin America, Europe, South Africa and the Middle East. Continued focus on newer geographies along with acquisitions focused on newer technologies will drive further growth for Route Mobile.

Valuation at reasonable levels post a significant correction

In line with the global correction in technology stocks, Route Mobile has corrected 38% from its all-time high and is currently valued at 28x FY24 EPS. Given the strong growth visibility and profitability, we value Route at 33x FY24 EPS and arrive at a share price of Rs1,733. Key risks to our thesis include increasing competition and valuation correction.

Financial and valuation summary

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenues (Rs mn)</th>
<th>EBITDA</th>
<th>EBITDA margin (%)</th>
<th>Adj. Net profit</th>
<th>Adj. EPS (Rs)</th>
<th>EPS growth (%)</th>
<th>PE (x)</th>
<th>EV/EBITDA (x)</th>
<th>PBV (x)</th>
<th>RoE (%)</th>
<th>RoCE (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar 21</td>
<td>FY20A</td>
<td>9,563</td>
<td>14,062</td>
<td>10.5</td>
<td>733</td>
<td>14.6</td>
<td>28.7</td>
<td>101.2</td>
<td>27.5</td>
<td>29.8</td>
<td>25.5</td>
</tr>
<tr>
<td></td>
<td>FY21A</td>
<td>14,062</td>
<td>20,020</td>
<td>12.4</td>
<td>1,481</td>
<td>24.2</td>
<td>65.5</td>
<td>61.2</td>
<td>12.5</td>
<td>28.9</td>
<td>28.1</td>
</tr>
<tr>
<td></td>
<td>FY22A</td>
<td>20,020</td>
<td>31,677</td>
<td>10.9</td>
<td>3,894</td>
<td>27.8</td>
<td>14.8</td>
<td>41.9</td>
<td>5.3</td>
<td>14.3</td>
<td>15.0</td>
</tr>
<tr>
<td></td>
<td>FY23E</td>
<td>31,677</td>
<td>48,585</td>
<td>11.4</td>
<td>3,894</td>
<td>40.0</td>
<td>43.9</td>
<td>37.4</td>
<td>5.2</td>
<td>14.5</td>
<td>15.8</td>
</tr>
<tr>
<td></td>
<td>FY24E</td>
<td>48,585</td>
<td>65,117</td>
<td>12.7</td>
<td>3,894</td>
<td>52.5</td>
<td>31.2</td>
<td>37.0</td>
<td>4.7</td>
<td>17.5</td>
<td>18.9</td>
</tr>
</tbody>
</table>

Source: Company, Centrum Broking

Please see Disclaimer for analyst certifications and all other important disclosures.
**Thesis Snapshot**

**Centrum vs. consensus**

<table>
<thead>
<tr>
<th>YE Mar (Rs mn)</th>
<th>Centrum FY23E</th>
<th>Consensus FY23E</th>
<th>Variance (%)</th>
<th>Centrum FY24E</th>
<th>Consensus FY24E</th>
<th>Variance (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>31,677</td>
<td>29,800</td>
<td>6%</td>
<td>39,763</td>
<td>36,021</td>
<td>10%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>3,601</td>
<td>3,356</td>
<td>7%</td>
<td>4,858</td>
<td>4,339</td>
<td>12%</td>
</tr>
<tr>
<td>PAT</td>
<td>2,559</td>
<td>2,352</td>
<td>9%</td>
<td>3,371</td>
<td>3,113</td>
<td>8%</td>
</tr>
</tbody>
</table>

Source: Bloomberg, Centrum Broking

**Route Mobile versus NIFTY Midcap 100**

<table>
<thead>
<tr>
<th>1m</th>
<th>6m</th>
<th>1 year</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROUTE IN</td>
<td>13.5</td>
<td>(5.6)</td>
</tr>
<tr>
<td>NIFTY Midcap 100</td>
<td>11.6</td>
<td>7.0</td>
</tr>
</tbody>
</table>

Source: Bloomberg

**Key assumptions**

<table>
<thead>
<tr>
<th>YE Mar</th>
<th>FY23</th>
<th>FY24E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>31,677</td>
<td>39,763</td>
</tr>
<tr>
<td>EBITDA Margins</td>
<td>11.4%</td>
<td>12.2%</td>
</tr>
<tr>
<td>PAT</td>
<td>2,499</td>
<td>3,294</td>
</tr>
</tbody>
</table>

Source: Centrum Broking

**Valuations**

We initiate with a BUY rating with a target price of Rs1,733. Our target multiple of 33x is below the company’s average P/E multiple

<table>
<thead>
<tr>
<th>Valuations</th>
<th>Rs/share</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY24E EPS</td>
<td>52.5</td>
</tr>
<tr>
<td>Target Multiple (x)</td>
<td>33.0</td>
</tr>
<tr>
<td>Target Price</td>
<td>1,733</td>
</tr>
</tbody>
</table>

**P/E mean and standard deviation**

Source: Bloomberg, Centrum Broking

**EV/EBITDA mean and standard deviation**

Source: Bloomberg, Centrum Broking

**Peer comparison**

<table>
<thead>
<tr>
<th>Company</th>
<th>Mkt Cap (Rs bn)</th>
<th>Sales</th>
<th>EBITDA</th>
<th>EPS</th>
<th>FY22</th>
<th>FY23</th>
<th>FY24E</th>
<th>FY22</th>
<th>FY23</th>
<th>FY24E</th>
<th>FY22A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Route Mobile</td>
<td>0.9</td>
<td>42%</td>
<td>46%</td>
<td>37%</td>
<td>53.3</td>
<td>37.0</td>
<td>28.2</td>
<td>48.8</td>
<td>26.2</td>
<td>17.3</td>
<td>14%</td>
</tr>
<tr>
<td>Tanla Platforms</td>
<td>1.0</td>
<td>20%</td>
<td>17%</td>
<td>14%</td>
<td>38.4</td>
<td>18.3</td>
<td>14.3</td>
<td>28.4</td>
<td>13.4</td>
<td>9.7</td>
<td>48%</td>
</tr>
</tbody>
</table>

Source: Company, Centrum Broking
Industry Overview

The Communication Platform as a Service (CPaaS) industry is currently a global business of $8.6bn and is expected to grow at a CAGR of 31% yoy. SMS technology dominates the market while newer technologies such as RCS, OTT, etc. are rapidly gaining market share. North America continues to be the key market for the products. The key players in the business are Twilio and Sinch along with Route Mobile & Tanla in India. The industry has seen significant consolidation over the past 2 years with 46 acquisitions being made since 2020.

CPaaS industry expected to grow at 31% CAGR

- CPaaS refers to Communication Platform as a Service – which is a cloud-based platform to help enterprises add real-time communication channels to their product. CPaaS essentially enables organizations to integrate different systems such as voice, messaging, video, etc. into their existing service offering software using APIs and enables easier customer communication.

Exhibit 1: CPaaS Use Cases

<table>
<thead>
<tr>
<th>Use Case</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMS alerts for easy order tracking</td>
</tr>
<tr>
<td>2 Factor Authentication (2FA) for an additional layer of security</td>
</tr>
<tr>
<td>AI powered chatbots to answer frequently asked customer questions</td>
</tr>
<tr>
<td>IVR system to route each call to the right call center agent</td>
</tr>
<tr>
<td>Click-to-call to enable customers to call you in a click</td>
</tr>
<tr>
<td>WhatsApp messages to send appointment reminders</td>
</tr>
<tr>
<td>Call analytics to make data-driven decisions and set future goals</td>
</tr>
<tr>
<td>Video calls to give a product demo</td>
</tr>
<tr>
<td>Call masking to protect stakeholder privacy</td>
</tr>
<tr>
<td>2-way messaging to engage customers</td>
</tr>
</tbody>
</table>

Source: Karix, Centrum Broking

- Corporations across the world routinely use CPaaS platforms for several use-cases such as sending an OTP via SMS to complete an online transaction, sending flight tickets to travellers via WhatsApp or generating an automated email to reset a password.
- Covid-19 was fundamental to the transformation of the industry as e-commerce, food delivery and online transactions grew exponentially even as some key CPaaS end-use industries such as the travel industry declined. The CPaaS industry has grown by 41% CAGR over the past 2 years from $4.3bn in 2019 to $8.6bn in 2021, and is expected to grow at a CAGR of 31% over the next 5 years to reach a size of $34.2bn.
Exhibit 2: Size of CPaaS market

The industry is dominated by SMS transactions which make up 95% of all CPaaS communication today. However, communication via Rich Communication Services (RCS) and OTT channels such as WhatsApp, Viber, Telegram, etc. are rising rapidly and expected to gain a larger share of the pie in the future.

Exhibit 3: CPaaS market by technology

Geographically, most business is driven by North American markets and that is expected to continue moving forward. Indian markets currently constitute 1% of revenues for the market and this is expected to grow at a CAGR of 50% moving forward.

Exhibit 4: CPaaS Revenue growth by region
Crowded market with growing consolidation as the CPaaS industry matures

- The CPaaS industry is highly fragmented with several players operating in the market both internationally and in India. These players often operate within their small circle of competence. Top players in the field include Twilio, Sinch, & Infobip while Tanla & Route dominate the local Indian market.

Exhibit 5: Major CPaaS Players

Over the past few years, the industry has seen growing consolidation as the top players acquired smaller players to penetrate newer markets and niche technologies in order to grow. The industry is also seeing new entrants with Ericsson acquiring Vonage and Cisco acquiring IMIMobile. Two large global players – Twilio and Sinch have also made acquisitions to enter the Indian market with their acquisitions of Valuefirst and ACL respectively.

Exhibit 6: Global CPaaS M&A, 2020 Onwards

<table>
<thead>
<tr>
<th>Company</th>
<th>Number of acquisitions</th>
<th>Companies acquired</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cisco Systems Inc</td>
<td>1</td>
<td>Imimobile Ltd</td>
</tr>
<tr>
<td>CM.com NV</td>
<td>6</td>
<td>CX Co, Paid Group BV, Building Blocks BV, Robin Software BV, Your Ticket Provider BV, TraceDock BV</td>
</tr>
<tr>
<td>Infobip Ltd</td>
<td>2</td>
<td>Peerless Network Inc, Shift Conference LLC</td>
</tr>
<tr>
<td>Kaleyra Inc</td>
<td>2</td>
<td>Mgage LLC, Bandyrl Srl</td>
</tr>
<tr>
<td>MessageBird USA</td>
<td>3</td>
<td>Pusher Ltd, 24sessions.com BV, Hull Group Inc/The</td>
</tr>
<tr>
<td>Route Mobile Ltd</td>
<td>6</td>
<td>Masivian SAS, MR Messaging FZC, Interteleco, SendClean, TeleDNA, Teledgers Technology Pvt Ltd</td>
</tr>
<tr>
<td>Sinch AB</td>
<td>7</td>
<td>Mailgun Technologies Inc, Message4u Pty Ltd, Inteliquent Inc, Digital interconnect business, Wavy Global Holdings BV, ACL Mobile Ltd, MessengerPeople GmbH</td>
</tr>
<tr>
<td>Ericsson</td>
<td>1</td>
<td>Vonage Holdings Corp</td>
</tr>
<tr>
<td>Vonage Holdings Corp</td>
<td>2</td>
<td>Kotak Network Pte Ltd, Jumper AI Pte Ltd</td>
</tr>
<tr>
<td>Zenvia Inc</td>
<td>1</td>
<td>Movidesk Ltd</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>46</strong></td>
<td><strong>Source:</strong> Bloomberg, Centrum Broking</td>
</tr>
</tbody>
</table>
- In terms of competition, established leaders in the field include Route, Infobip, Sinch & IMIMobile (Cisco) where the products have extensive breadth & depth along with strong capabilities.

**Exhibit 7: Competitive positioning for CPaaS vendors**

<table>
<thead>
<tr>
<th>Product and Position</th>
<th>Disruptors &amp; Emulators</th>
<th>Leading Challengers</th>
<th>Established Leaders</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extensive Breadth, Depth</td>
<td>CM.com</td>
<td>Converge</td>
<td>Route Mobile</td>
</tr>
<tr>
<td></td>
<td>Kaleyra</td>
<td>OpenMarket</td>
<td>Infobip</td>
</tr>
<tr>
<td></td>
<td>Pjive</td>
<td>Syniverse</td>
<td>Sinch</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>IMIMobile (Cisco)</td>
</tr>
<tr>
<td>Mid-market or Segment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Focused</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Niche</td>
<td>CM5 Worldwide</td>
<td>Introp Technologies</td>
<td></td>
</tr>
<tr>
<td></td>
<td>mCage</td>
<td>Twilio</td>
<td></td>
</tr>
<tr>
<td></td>
<td>mxMera</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Juniper, Centrum Broking
Route Mobile – Omnichannel CPaaS Platform

- Route Mobile is an omni-channel CPaaS platform based out of Mumbai, India, which provides communication services to traditional & new-age enterprises. The company’s key products are in the SMS space where it provides organizations the ability to communicate to customers for services such as 2 factor authentication, delivery updates, bank account transactions, etc. via SMS.

Exhibit 8: Company offerings – Route Mobile

- The company’s estimates that 85% of its revenues come from the SMS business, while new products (voice, e-mail, OTT) contribute 5%. The remaining sources of revenues are from the sale of services to Mobile Network Operators (5%), and a customer support center operations (5%) both of which have been inorganically acquired by Route Mobile.

- Route earns revenues from its customers on a per transaction basis. Transaction rates are determined at the beginning of the contract but are not locked-in and change from time-to-time. For SMS-based revenues, Route Mobile has tie-ups with 250+ mobile-network operators who also charge a fixed fee to Route Mobile on a per-transaction basis.

- Route has a diversified clientele consisting of digital enterprises such as Facebook & Google who use Route for carrying out 2-factor authentication in India, financial institutions such as SBI & ICICI and new-age internet companies such as PayTM and Policybazaar.

- The key market geographically is India, which accounts for 47% of all revenues. The company is also rapidly expanding inorganically into newer geographies such as Europe & South Africa (via the MR Messaging acquisition), as well as Latin America (via the Masivian acquisition).
Exhibit 9: Geographic mix of revenues for Route Mobile

- Covid-19 acted as a tailwind for Route and resulted in strong growth for its customer base as digital transaction volume increased. Further, Route has seen growth in its client base and the number of high value clients has also increased.

Exhibit 10: Number of clients by account size for Route Mobile

- Route’s largest clients are global digital companies including Facebook & Google. The company’s top client is responsible for 13% of its revenues while the top 5 clients account for 42% of revenues for the company. The company’s dependence on its top client has reduced from 23% of revenues in FY19 to 13% in FY22.

Exhibit 11: Client concentration for Route Mobile

- Source: Company Data, Centrum Broking
Route Mobile was founded as RouteSMS in 2004 in Mumbai, and has been in operation for over 19 years. The company has grown rapidly and processed over 52 billion transactions in FY22; it has 29 offices and 2,500+ active billable clients.

**Exhibit 12: Route Mobile’s history**

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>• Founded as “RouteSMS Solutions Private Limited in Mumbai, India</td>
</tr>
<tr>
<td>2011</td>
<td>• Inaugurated the 1st International Office in London, UK</td>
</tr>
</tbody>
</table>
| 2012 | • Launch of India Enterprise Division  
• Officially certified as a GSMA Open Solution Connectivity |
| 2013 | • Business expansion in Dubai |
| 2014 | • Business expansion in Nigeria |
| 2016 | • Rebranding to Route Mobile Limited  
• Ranked 6th in the Top Tier 1 A2P SMS Messaging Vendor as per the ROCCO Report 2016  
• Business expansion in Ghana & Singapore  
• Acquisition of Cellent Technologies & Start Corp |
| 2017 | • Business expansion in US & Kenya  
• Acquisitions of Call2Connect Pvt Limited and 365 Squared Ltf |
| 2018 | • Business expansion in Bangladesh, Nepal, Sri Lanka, Uganda & Zambia |
| 2020 | • Lists on Indian Stock exchanges  
• The only Asian company covered in Gartner’s Market Guide for CPaaS |
| 2021 | • Won 2 Golds in the Juniper Research Award for CPaaS Provider of the year and Best SMS Firewall 2021 |
| 2022 | • Acquired SendClean, Masivian, Interteleco & MR Messaging  
• Won Gold at the 2022 Juniper Research Future Digital Awards For Telco Innovation In Rich Communication Services (RCS) |

Source: Company Data, Centrum Broking
**Investment Thesis**

**Increasing push towards digitalisation to drive revenue growth**

- Route’s revenue model is based on transaction-level pricing – and its revenue grows from increasing adoption of digital transactions and the overall growth of its clientele. Transactions have increased as e-commerce, financial transactions, and social media penetration have all grown at a rapid rate in its key markets of India, Asia (ex-India) & Africa.

Exhibit 13: Internet user base growth in India (mn)

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2022</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Internet Users</td>
<td>560</td>
<td>658</td>
<td>5.5%</td>
</tr>
<tr>
<td>Facebook</td>
<td>300</td>
<td>330</td>
<td>3.2%</td>
</tr>
<tr>
<td>Whatsapp</td>
<td>400</td>
<td>530</td>
<td>9.8%</td>
</tr>
<tr>
<td>Instagram</td>
<td>75</td>
<td>230</td>
<td>45.3%</td>
</tr>
<tr>
<td>YouTube</td>
<td>265</td>
<td>467</td>
<td>20.8%</td>
</tr>
<tr>
<td>Twitter</td>
<td>8</td>
<td>24</td>
<td>44.2%</td>
</tr>
</tbody>
</table>

Source: Media Sources, Centrum Broking

Exhibit 14: Volume of digital payment transactions in India (mn)

<table>
<thead>
<tr>
<th></th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facebook</td>
<td>20,720</td>
<td>31,340</td>
<td>45,720</td>
<td>55,540</td>
<td>81,930</td>
</tr>
<tr>
<td>Whatsapp</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instagram</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>YouTube</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Twitter</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Media Sources, Centrum Broking

- Route Mobile’s transaction volume has grown in-line with the overall increase in internet penetration in India. It is expected that increasing digital penetration and higher volume of transactions in India will drive further growth for Route Mobile and its customers.

- Internet penetration in developing countries including LatAm & Asia is high, resulting in increased opportunities for value creation. Route Mobile is well positioned to take market share in these regions via acquisitions.

Exhibit 15: Internet penetration by region

<table>
<thead>
<tr>
<th>Region</th>
<th>Internet Penetration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latin America</td>
<td></td>
</tr>
<tr>
<td>Southern America</td>
<td>78%</td>
</tr>
<tr>
<td>Central America</td>
<td>70%</td>
</tr>
<tr>
<td>Caribbean</td>
<td>68%</td>
</tr>
<tr>
<td>Asia</td>
<td></td>
</tr>
<tr>
<td>Western Asia</td>
<td>74%</td>
</tr>
<tr>
<td>Eastern Asia</td>
<td>73%</td>
</tr>
<tr>
<td>South Eastern Asia</td>
<td>73%</td>
</tr>
<tr>
<td>Central Asia</td>
<td>67%</td>
</tr>
<tr>
<td>Southern Asia</td>
<td>46%</td>
</tr>
<tr>
<td>Africa</td>
<td></td>
</tr>
<tr>
<td>Southern Africa</td>
<td>68%</td>
</tr>
<tr>
<td>Northern Africa</td>
<td>64%</td>
</tr>
<tr>
<td>Western Africa</td>
<td>43%</td>
</tr>
<tr>
<td>Eastern Africa</td>
<td>26%</td>
</tr>
<tr>
<td>Middle Africa</td>
<td>25%</td>
</tr>
</tbody>
</table>

Source: Data Reportal, Centrum Broking

- Transaction volume at Route Mobile has increased exponentially in-line with growing internet adoption globally with services such as 2-factor authentication for social networks or online e-commerce transactions gaining prominence. Transaction volume processed by Route has increased from 20.8bn transactions/year in FY18 to 52bn transactions/year in FY22.
New technologies, new acquisitions & new geographies will drive revenue growth & margin improvement

- Like most peers in the CPaaS industry, Route’s primary source of revenue is SMS messaging driven CPaaS, which currently makes up 85% of revenues while new products constitute 5%. New products consist of email, Whatsapp, RCS, Viber, FB Messenger, Voice, etc. MNO clients and the call center business constitute 5% of the business each.

Exhibit 17: Revenue per transaction for Route Mobile

<table>
<thead>
<tr>
<th>Mode of communication</th>
<th>Approximate realisation (in paisa)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic SMS</td>
<td>10-12</td>
</tr>
<tr>
<td>International SMS</td>
<td>200-250</td>
</tr>
<tr>
<td>Email</td>
<td>1</td>
</tr>
<tr>
<td>Whatsapp</td>
<td>50</td>
</tr>
</tbody>
</table>

- Moving forward, Route expects significant growth to come from the new products business as corporations become more comfortable with newer technologies and adoption rates increase. Route has guided for the new products business to grow at 100%+ for FY23E. Route expects the new products business to constitute 25%+ of their revenues over the medium term. Gross margins for new products such as Email & voice-based products are typically higher than the traditional SMS based business and this should drive gross margin improvement in the medium term.
Route has also made several acquisitions over the past few years, in-line with international peers. As the CPaaS industry moves towards a consolidation phase, existing players like Route stand to benefit both from leveraging operational synergies as well as from reduced competition in the market.

**Exhibit 20: Route Mobile acquisitions**

<table>
<thead>
<tr>
<th>Company</th>
<th>Size of acquisition (INR mn)</th>
<th>Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cellent Technologies</td>
<td>112.7</td>
<td>Sep-16</td>
<td>Entry into Middle-East market (geographical expansion)</td>
</tr>
<tr>
<td>Start Corp</td>
<td>20</td>
<td>Sep-16</td>
<td>Expansion in India business</td>
</tr>
<tr>
<td>Call2Connect</td>
<td>56.6</td>
<td>Apr-17</td>
<td>Entry into call center market in India</td>
</tr>
<tr>
<td>365Squared</td>
<td>1,317.2 (EUR 19.09 mn) + earn-out payments</td>
<td>Oct-17</td>
<td>Firewall solutions for MNOs</td>
</tr>
<tr>
<td>TeleDNA’s telecom operator business</td>
<td>120</td>
<td>Jul-20</td>
<td>Backward integration of MNO solution</td>
</tr>
<tr>
<td>Send Clean</td>
<td>262.5 + 40.0 (deferred consideration)</td>
<td>Jul-21</td>
<td>Email communication platform</td>
</tr>
<tr>
<td>Masivian</td>
<td>3,515 (US$ 47.5mn) + 185 (US$2.5mn) (deferred consideration)</td>
<td>Nov-21</td>
<td>Entry into LATAM market</td>
</tr>
<tr>
<td>Interteleco</td>
<td>167.7 (KD 652,500)</td>
<td>Dec-21</td>
<td>Entry into Kuwait market</td>
</tr>
<tr>
<td>M.R. Messaging</td>
<td>1,627.9 (EUR 19.38 mn) + 1,564.1 (EUR 18.62 mn) as deferred consideration</td>
<td>Mar-22</td>
<td>Entry into Europe &amp; South Africa</td>
</tr>
</tbody>
</table>

With the recent acquisitions, Route has entered lucrative, under-penetrated markets such as LATAM & Europe. The drive to enter newer geographies will continue to boost growth in the medium term. Gross margins in areas such as LATAM/Europe are also higher than the Indian markets and this should further drive revenue growth for the companies.

Margin improvements will likely be driven by increasing penetration into newer geographies as well as newer technologies. For example, the recent acquisition of Masivian enables it to penetrate the Latin American markets where gross margins are 40%+. Similarly, technologies like email & voice are relatively high margin, despite lower revenue per transaction. Route is currently guiding for a 40% gross margin for new products which is double the existing gross margins.

**Strong client base and partner relationships ensure that organic revenue growth will remain strong**

Route’s client base is a mix of digital native companies, financial services, CPaaS partners and retail & e-commerce initiatives. The company’s top clients include the world’s top tech companies, ecommerce, as well as top telecom, retail and financial services companies globally.
The company includes marquee names like Facebook & Google as well as financial services such as ICICI Bank, SBI as well as Internet names like PayTM, PolicyBazaar, etc. At the same time, Route continues to have deep relationships with key clients including MNOs as it aims to deepen its existing relationships.

Route continues to add top-tier clients as it increasingly penetrates newer markets & geographies. The company has tie-ups with 265+ Mobile Network Operators (MNOs), which is key in ensuring growth for the company. This in-turn allows Route to gain access to 900+ MNOs globally. Route has also developed an MNO business which aims to provide services to MNOs including firewall services and this also enables Route to develop deeper relationships with MNOs.
Exhibit 23: MNO connects for Route Mobile

Source: Company Data, Centrum Broking
Financial Analysis

- Route has shown rapid growth in revenues with a 5-year CAGR of 34.2% over FY17-22 driven by robust organic as well as inorganic growth. Margins have stayed constant as the company focuses on profitable growth and expansion.

Exhibit 24: Revenue (Rs mn) has grown at 34.2% CAGR

Exhibit 25: EBITDA Margins are constant since FY19

- Route Mobile’s revenues have primarily been from the sale of SMS services, with newer products accounting for 4.9% of sales. Route expects that over time, newer products will account for over 25% of sales.

Exhibit 26: Revenue contribution from new products

- The company has completed two rounds of fundraising via an IPO in FY21 & a QIP in FY22. Post these multiple rounds of fundraising, the company has a comfortable cash position and can make further acquisitions if required. The company has also recently announced a share buyback of Rs1,200mn to return cash to shareholders.
Exhibit 27: Cash position is improving (Rs mn)

Source: Company Data, Centrum Broking
Cash Flow Analysis

- Cash generation for Route Mobile has remained robust with positive OCF generation since FY18 with an increase in profitability. We expect that Route’s asset light business model will continue to generate consistent OCF moving forward.

Exhibit 28: OCF generation has remained strong

Source: Company Data, Centrum Broking

- Cash conversion cycle has been stable – Route Mobile’s cash conversion cycle has largely stable as the company has grown. Net working capital has increased in line with the increase in the company’s revenues. The decline in the net working capital for FY22 has been due to acquisitions and is expected to correct moving forward.

Exhibit 29: Cash conversion cycle has been volatile

Source: Company Data, Centrum Broking

- Given the comfortable debt position, low capex and low working capital requirements, EBITDA-to-OCF & PAT-to-OCF ratio for Route Mobile has been high. Ratios have been temporarily affected due to the large number of acquisitions that the company has made in FY22. However, PAT-to-OCF & EBITDA-to-OCF conversion is expected to revert to high levels again moving forward. Route is guiding for OCF conversion in the range of 70-75% for FY23.
Exhibit 30: EBITDA-to-OCF and PAT-to-OCF conversion remains strong

FCF generation has been strong and the company has been generating consistently high free cash flow since FY20. FCF generation is expected to continue moving forward since the company’s business model requires limited capex.

Exhibit 31: FCF generation has stayed strong

RoE for the company has generally stayed at 25%+ for several years. The recent dip in RoE has been due to high cash infusion post the QIP and it should improve as the company makes further acquisitions over the next few years which will reduce the cash balance and improve PAT levels moving forward.

Exhibit 32: RoE has been 20%+

Source: Centrum Broking, Company Data

- FCF generation has been strong and the company has been generating consistently high free cash flow since FY20. FCF generation is expected to continue moving forward since the company’s business model requires limited capex.

Source: Company Data, Centrum Broking

- RoE for the company has generally stayed at 25%+ for several years. The recent dip in RoE has been due to high cash infusion post the QIP and it should improve as the company makes further acquisitions over the next few years which will reduce the cash balance and improve PAT levels moving forward.

Source: Company Data, Centrum Broking
Valuation

- Post a 38% correction in share price, Route Mobile currently trades at 28x FY24 EPS. Due to its strong revenue growth (both organic & inorganic), consistent track record of profitability, and high return on equity, we value Route at 33x FY24 EPS giving a share price of Rs 1,733. Initiate with a BUY rating.

- Listed players in the CPaaS industry are all at varying stages of maturity in the cycle and thus trade at very different valuations. The largest listed player is Twilio, which has seen strong revenue growth but is struggling for profitability. Among other global players, Sinch has been impacted by the valuation correction in technology stocks along with significant short-selling following corporate governance concerns. The top industry players are expected to grow at 30%+ revenue CAGR over the next two years in-line with overall industry growth. Increasing industry consolidation and maturity is also resulting in improvement in profitability. Twilio and Vonage which have been loss making for several years are gradually moving towards profitability. Twilio is expected to become profitable in CY23 while Vonage is expected to reach profitability in CY22. However, Route Mobile’s performance has been superior to most listed global players in terms of RoE, Sales growth and PAT Margins.

Exhibit 33: Comparison of global CPaaS players

<table>
<thead>
<tr>
<th>Company</th>
<th>Market Cap (USD bn)</th>
<th>Sales CAGR (FY21-23E)</th>
<th>EBITDA CAGR (FY21-23E)</th>
<th>PAT Margin FY21</th>
<th>P/E Ratio FY21</th>
<th>EV/EBITDA FY21</th>
<th>P/S FY21</th>
<th>RoE (%) FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Twilio</td>
<td>16.0</td>
<td>32%</td>
<td>18%</td>
<td>-33%</td>
<td>NA</td>
<td>NA</td>
<td>940.4</td>
<td>16.1</td>
</tr>
<tr>
<td>Sinch</td>
<td>1.9</td>
<td>38%</td>
<td>105%</td>
<td>8%</td>
<td>89.2</td>
<td>14.5</td>
<td>123.1</td>
<td>11.7</td>
</tr>
<tr>
<td>Tanla</td>
<td>1.3</td>
<td>20%</td>
<td>17%</td>
<td>14%</td>
<td>38.4</td>
<td>18.3</td>
<td>134.3</td>
<td>13.4</td>
</tr>
<tr>
<td>Route</td>
<td>1.2</td>
<td>41%</td>
<td>52%</td>
<td>8%</td>
<td>55.4</td>
<td>34.8</td>
<td>24.8</td>
<td>26.2</td>
</tr>
</tbody>
</table>

Source: Bloomberg, Centrum Broking, FY21 refers to FY22 for Route & Tanla Platforms

- Globally, the CPaaS industry has seen a significant valuation correction in 2022 as monetary tightening impacted the valuation of technology stocks across the listed universe. The impact has been felt in both international & domestic markets as valuations have corrected significantly. However, any improvement in the macroeconomic climate could result in valuations improving for the sector as a whole.

Risks

- Increasing competition in the sector from new entrants
- Globally slowing pace of digital transactions
- Further valuation declines in technology stocks
## P&L

<table>
<thead>
<tr>
<th>YE Mar (Rs mn)</th>
<th>FY20A</th>
<th>FY21A</th>
<th>FY22A</th>
<th>FY23E</th>
<th>FY24E</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>9,563</td>
<td>14,062</td>
<td>20,020</td>
<td>31,677</td>
<td>39,763</td>
</tr>
<tr>
<td><strong>Operating Expense</strong></td>
<td>7,642</td>
<td>11,291</td>
<td>15,825</td>
<td>24,532</td>
<td>30,716</td>
</tr>
<tr>
<td><strong>Employee cost</strong></td>
<td>582</td>
<td>615</td>
<td>1,261</td>
<td>1,875</td>
<td>2,142</td>
</tr>
<tr>
<td><strong>Others</strong></td>
<td>339</td>
<td>416</td>
<td>748</td>
<td>1,668</td>
<td>2,047</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>1,000</td>
<td>1,741</td>
<td>2,186</td>
<td>3,601</td>
<td>4,858</td>
</tr>
<tr>
<td><strong>Depreciation &amp; Amortisation</strong></td>
<td>227</td>
<td>258</td>
<td>383</td>
<td>834</td>
<td>994</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>773</td>
<td>1,483</td>
<td>1,803</td>
<td>2,767</td>
<td>3,864</td>
</tr>
<tr>
<td><strong>Interest expenses</strong></td>
<td>49</td>
<td>28</td>
<td>52</td>
<td>181</td>
<td>227</td>
</tr>
<tr>
<td><strong>Other income</strong></td>
<td>118</td>
<td>160</td>
<td>201</td>
<td>439</td>
<td>475</td>
</tr>
<tr>
<td><strong>PBT</strong></td>
<td>843</td>
<td>1,616</td>
<td>1,952</td>
<td>3,025</td>
<td>4,111</td>
</tr>
<tr>
<td><strong>Taxes</strong></td>
<td>112</td>
<td>288</td>
<td>251</td>
<td>465</td>
<td>740</td>
</tr>
<tr>
<td><strong>Effective tax rate (%)</strong></td>
<td>13.2</td>
<td>17.8</td>
<td>12.9</td>
<td>15.4</td>
<td>18.0</td>
</tr>
<tr>
<td><strong>PAT</strong></td>
<td>732</td>
<td>1,328</td>
<td>1,701</td>
<td>2,559</td>
<td>3,371</td>
</tr>
<tr>
<td><strong>Minority/Associates</strong></td>
<td>1</td>
<td>6</td>
<td>(39)</td>
<td>(60)</td>
<td>(78)</td>
</tr>
<tr>
<td><strong>Recurring PAT</strong></td>
<td>733</td>
<td>1,333</td>
<td>1,662</td>
<td>2,499</td>
<td>3,294</td>
</tr>
<tr>
<td><strong>Extraordinary items</strong></td>
<td>(149)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Reported PAT</strong></td>
<td>584</td>
<td>1,333</td>
<td>1,662</td>
<td>2,499</td>
<td>3,294</td>
</tr>
</tbody>
</table>

## Ratios

<table>
<thead>
<tr>
<th>YE Mar</th>
<th>FY20A</th>
<th>FY21A</th>
<th>FY22A</th>
<th>FY23E</th>
<th>FY24E</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Growth (%)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td>13.2</td>
<td>47.1</td>
<td>42.4</td>
<td>58.2</td>
<td>25.5</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>15.8</td>
<td>74.1</td>
<td>25.6</td>
<td>64.7</td>
<td>34.9</td>
</tr>
<tr>
<td><strong>Adj. EPS</strong></td>
<td>28.7</td>
<td>65.5</td>
<td>14.8</td>
<td>43.9</td>
<td>31.2</td>
</tr>
<tr>
<td><strong>Margins (%)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Gross</strong></td>
<td>20.1</td>
<td>19.7</td>
<td>21.0</td>
<td>22.6</td>
<td>22.8</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>10.5</td>
<td>12.4</td>
<td>10.9</td>
<td>11.4</td>
<td>12.2</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>8.1</td>
<td>10.5</td>
<td>9.0</td>
<td>8.7</td>
<td>9.7</td>
</tr>
<tr>
<td><strong>Adjusted PAT</strong></td>
<td>7.7</td>
<td>9.5</td>
<td>8.4</td>
<td>8.0</td>
<td>8.4</td>
</tr>
<tr>
<td><strong>Returns (%)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ROE</strong></td>
<td>29.8</td>
<td>28.9</td>
<td>14.3</td>
<td>14.5</td>
<td>17.5</td>
</tr>
<tr>
<td><strong>ROCE</strong></td>
<td>25.5</td>
<td>28.1</td>
<td>15.0</td>
<td>15.8</td>
<td>18.9</td>
</tr>
<tr>
<td><strong>ROIC</strong></td>
<td>32.0</td>
<td>59.0</td>
<td>21.5</td>
<td>31.7</td>
<td>47.0</td>
</tr>
<tr>
<td><strong>Turnover (days)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Gross block turnover ratio (x)</strong></td>
<td>29.8</td>
<td>38.2</td>
<td>44.9</td>
<td>71.1</td>
<td>89.2</td>
</tr>
<tr>
<td><strong>Debtors</strong></td>
<td>66</td>
<td>55</td>
<td>64</td>
<td>65</td>
<td>64</td>
</tr>
<tr>
<td><strong>Inventory</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Creditors</strong></td>
<td>58</td>
<td>68</td>
<td>72</td>
<td>63</td>
<td>63</td>
</tr>
<tr>
<td><strong>Net working capital</strong></td>
<td>(3)</td>
<td>(14)</td>
<td>(47)</td>
<td>(23)</td>
<td>(18)</td>
</tr>
<tr>
<td><strong>Solvency (x)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net debt-equity</strong></td>
<td>(0.2)</td>
<td>(0.7)</td>
<td>(0.6)</td>
<td>(0.6)</td>
<td>(0.7)</td>
</tr>
<tr>
<td><strong>Interest coverage ratio</strong></td>
<td>20.5</td>
<td>63.1</td>
<td>42.4</td>
<td>19.9</td>
<td>21.4</td>
</tr>
<tr>
<td><strong>Net debt/EBITDA</strong></td>
<td>(0.6)</td>
<td>(2.7)</td>
<td>(4.7)</td>
<td>(3.1)</td>
<td>(2.9)</td>
</tr>
<tr>
<td><strong>Per share (Rs)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Adjusted EPS</strong></td>
<td>14.6</td>
<td>24.2</td>
<td>27.8</td>
<td>40.0</td>
<td>52.5</td>
</tr>
<tr>
<td><strong>BVPS</strong></td>
<td>53.9</td>
<td>118.5</td>
<td>280.0</td>
<td>282.8</td>
<td>317.2</td>
</tr>
<tr>
<td><strong>CEPS</strong></td>
<td>19.2</td>
<td>28.9</td>
<td>34.2</td>
<td>53.4</td>
<td>68.4</td>
</tr>
<tr>
<td><strong>DPS</strong></td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>6.0</td>
<td>16.3</td>
</tr>
<tr>
<td><strong>Dividend payout (%)</strong></td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>15.0</td>
<td>31.1</td>
</tr>
<tr>
<td><strong>Valuation (x)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>P/E</strong></td>
<td>101.2</td>
<td>61.2</td>
<td>53.3</td>
<td>37.0</td>
<td>28.2</td>
</tr>
<tr>
<td><strong>P/BV</strong></td>
<td>27.5</td>
<td>12.5</td>
<td>5.3</td>
<td>5.2</td>
<td>4.7</td>
</tr>
<tr>
<td><strong>EV/EBITDA</strong></td>
<td>0.0</td>
<td>41.9</td>
<td>37.4</td>
<td>21.5</td>
<td>15.3</td>
</tr>
<tr>
<td><strong>Dividend yield (%)</strong></td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.4</td>
<td>1.1</td>
</tr>
</tbody>
</table>

Source: Company, Centrum Broking

---

## Balance Sheet

<table>
<thead>
<tr>
<th>YE Mar (Rs mn)</th>
<th>FY20A</th>
<th>FY21A</th>
<th>FY22A</th>
<th>FY23E</th>
<th>FY24E</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equity share capital</strong></td>
<td>500</td>
<td>577</td>
<td>629</td>
<td>629</td>
<td>629</td>
</tr>
<tr>
<td><strong>Reserves &amp; surplus</strong></td>
<td>2,194</td>
<td>5,944</td>
<td>16,097</td>
<td>17,027</td>
<td>19,263</td>
</tr>
<tr>
<td><strong>Shareholders fund</strong></td>
<td>2,694</td>
<td>6,521</td>
<td>16,726</td>
<td>17,656</td>
<td>19,892</td>
</tr>
<tr>
<td><strong>Minority Interest</strong></td>
<td>(22)</td>
<td>(27)</td>
<td>21</td>
<td>21</td>
<td>21</td>
</tr>
<tr>
<td><strong>Total debt</strong></td>
<td>411</td>
<td>34</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Non Current Liabilities</strong></td>
<td>79</td>
<td>139</td>
<td>163</td>
<td>163</td>
<td>164</td>
</tr>
<tr>
<td><strong>Def tax liab. (net)</strong></td>
<td>5</td>
<td>3</td>
<td>651</td>
<td>651</td>
<td>651</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>3,166</td>
<td>6,671</td>
<td>17,560</td>
<td>18,491</td>
<td>20,726</td>
</tr>
<tr>
<td><strong>Net cash from operations</strong></td>
<td>5,063</td>
<td>5,628</td>
<td>10,750</td>
<td>11,769</td>
<td>13,935</td>
</tr>
<tr>
<td><strong>Net interest</strong></td>
<td>321</td>
<td>368</td>
<td>446</td>
<td>446</td>
<td>446</td>
</tr>
<tr>
<td><strong>Net cash from investing</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Net cash from financing</strong></td>
<td>2,037</td>
<td>2,173</td>
<td>4,871</td>
<td>6,339</td>
<td>7,663</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>3,166</td>
<td>6,671</td>
<td>17,560</td>
<td>18,491</td>
<td>20,726</td>
</tr>
</tbody>
</table>

## Cashflow

<table>
<thead>
<tr>
<th>YE Mar (Rs mn)</th>
<th>FY20A</th>
<th>FY21A</th>
<th>FY22A</th>
<th>FY23E</th>
<th>FY24E</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Profit Before Tax</strong></td>
<td>694</td>
<td>1,615</td>
<td>1,952</td>
<td>3,083</td>
<td>4,111</td>
</tr>
<tr>
<td><strong>Depreciation &amp; Amortisation</strong></td>
<td>227</td>
<td>258</td>
<td>383</td>
<td>834</td>
<td>994</td>
</tr>
<tr>
<td><strong>Net Interest</strong></td>
<td>15</td>
<td>(61)</td>
<td>(120)</td>
<td>(167)</td>
<td>(167)</td>
</tr>
<tr>
<td><strong>Net Change – WC</strong></td>
<td>209</td>
<td>627</td>
<td>(658)</td>
<td>(645)</td>
<td>(19)</td>
</tr>
<tr>
<td><strong>Direct taxes</strong></td>
<td>(179)</td>
<td>(173)</td>
<td>(456)</td>
<td>(465)</td>
<td>(740)</td>
</tr>
<tr>
<td><strong>Net cash from operations</strong></td>
<td>935</td>
<td>2,294</td>
<td>1,246</td>
<td>2,695</td>
<td>4,233</td>
</tr>
<tr>
<td><strong>Capital expenditure</strong></td>
<td>721</td>
<td>(77)</td>
<td>(171)</td>
<td>(273)</td>
<td>(340)</td>
</tr>
<tr>
<td><strong>Acquisitions, net</strong></td>
<td>197</td>
<td>(646)</td>
<td>(4,131)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Investments</strong></td>
<td>251</td>
<td>(1,590)</td>
<td>(4,198)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Net cash from investing</strong></td>
<td>2,261</td>
<td>(8,385)</td>
<td>(271)</td>
<td>(340)</td>
<td></td>
</tr>
<tr>
<td><strong>Net cash from financing</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Net change in Cash</strong></td>
<td>313</td>
<td>2,143</td>
<td>1,198</td>
<td>849</td>
<td>2,870</td>
</tr>
</tbody>
</table>

Source: Company, Centrum Broking

---

**Note:** The above information is based on the latest available data from the company and as reported by Centrum Broking. The data may not reflect the most recent movements and should be verified with the latest financial reports.
Appendix 1: Key Management Personnel

- Key management personnel for the company include –

- Mr. Sandip Gupta is the Chairman & Non-Executive Director of Route Mobile. He holds a bachelor’s degree in commerce from Mumbai University. He is also a qualified Chartered Accountant and a member of the Institute of Chartered Accountants of India. He is a SAP-certified solution consultant—Management and Financial Accounting. Sandip is the Promoter of Route Mobile and has been associated with the company since its inception. Before incorporating Route Mobile, he worked with PricewaterhouseCoopers Private Limited, and Covansys (India) Private Limited. He has over 20 years of experience in audit and accounts, business analysis, SAP configuration, and software system consulting.

- Mr. Rajdip Gupta is the Managing Director and Group Chief Executive Officer of Route Mobile. He holds a bachelor’s degree in science (physics) from Mumbai University and master’s diploma in software engineering from Aptech Computer Education. He has more than 20 years of experience in the field of software designing and development.

- Suresh Jankar is the Chief Financial Officer of Route Mobile. He holds a bachelor’s degree in commerce from University of Pune and is qualified chartered accountant from the Institute of Chartered Accounts of India. He has 25 years of experience in finance sector. Prior to joining Route, he has worked with the Capricorn Lifestyle Private Limited. He leads the finance and accounts team and is responsible for activities pertaining to the accounts of Route Mobile

- Gautam Badalia is the Chief Strategy Officer of Route Mobile. He has over 14 years of experience handling functions across strategy, investment banking, mergers and acquisitions and structured finance. He is responsible for formulating corporate strategies as well as its disciplined execution and leading various other strategic initiatives, including M&A, transformation and cost reduction to support long term growth of Route Mobile. Prior to joining Route Mobile, he has worked with YES Bank Limited. He holds a bachelor’s degree in economics and a master’s degree in business administration (finance).

- John Owen is the Chief Executive Officer, Europe & Americas of Route Mobile (UK) Limited. He brings over 30 years of international senior executive leadership experience in leading global organizations. In his most recent role as the Group CEO at Mastek Ltd he has transformed Mastek into a growth leader in digital transformation delivering outstanding results. Prior to Mastek, John held senior executive roles in organizations like Serco, HP, Sycamore Networks and Nortel.

- Tushar Agnihotri heads the India & APAC regions for Route Mobile and is responsible for driving sales and operations for the India market. He holds a master’s degree in business management from Bundelkhand University. He has 25 years of overall work experience, with over 16 years of experience in the telecom sector. Prior to joining our Company, he has worked with Tata Teleservices (Maharashtra) Limited, Reliance Jio Infocomm Limited, Arvind Mills Limited, Kodak India Limited, Reliance Infocomm Limited and Blowplast Limited.

- Sharad Kumar leads RML’s Middle East region and is responsible for building up Middle East and Operations and expanding further into the Africa market. He holds a bachelor’s degree in engineering (electronics and telecommunications) from University of Mumbai and a post graduate certificate in business management from XLRI, Jamshedpur and has over 17 years of experience in the telecom sector. Prior to joining our Company, he has worked with Bharti Airtel Limited, Reliance Communications Limited and the United Nations.

- Milind Pathak is Chief Business Officer at Route Mobile. He has 25 years of experience in domestic and international markets with OnlineSales.ai, where he was the Chief Revenue Officer, Milind has also worked with blue-chip organizations like Paytm/Madhouse Mobile (GroupM), Comviva, Buongiorno etc. He has a Bachelor’s Degree in Engineering from Maharashtra Institute of Technology and a Master’s Degree in Business Administration from Jamnalal Bajaj Institute of Management Studies.
• Sammy Mamdani heads RML’s global Operations, and is responsible for day-to-day management and coordination between worldwide offices. With over 18 years of international experience, Sammy has successfully held senior positions at Protiviti’s (formerly Andersen Consulting) Business Risk division in the U.S. as well as a private investment firm based out of Mumbai, where he managed diverse business units in India and the UAE. Most recently, Sammy served as C.O.O at Cellent Technologies (India) Private Limited, which was acquired by Route Mobile in August 2016. He holds an MBA from the University of Central Florida.

• Elsa Shibu heads the People Management Function at Route Mobile. She has over 19+ years of work experience in the people management function. She started her career with Lintas while at college. She pursued a career into the people management function with KPMG and then went on to work with Tata Donnelley’s, UPS, Ugam Solutions and Euronet Worldwide. She has a mixed bag of exposure to Indian companies and MNCs as well as various industry sectors. She holds a degree in Economics from St Xavier’s College Mumbai.
Disclaimer

Centrum Broking Limited ("Centrum") is a full-service, Stock Broking Company and a member of The Stock Exchange, Mumbai (BSE) and National Stock Exchange of India Ltd. (NSE). Our holding company, Centrum Capital Ltd, is an investment banker and an underwriter of securities. As a group Centrum has Investment Banking, Advisory and other business relationships with a significant percentage of the companies covered by our Research Group. Our research professionals provide important inputs into the Group's Investment Banking and other business selection processes.

Recipients of this report should assume that our Group is seeking or may seek or will seek Investment Banking, advisory, project finance or other businesses and may receive commission, brokerage, fees or other compensation from the company or companies that are the subject of this material/report. Our Company and Group companies and their officers, directors and employees, including the analysts and others involved in the preparation or issuance of this material and their dependants, may on the date of this report or from, time to time have "long" or "short" positions in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. Centrum or its affiliates do not own 1% or more in the equity of this company Our sales people, dealers, traders and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. We may have earlier issued or may issue in future reports on the companies covered herein with recommendations/ information inconsistent or different those made in this report. In reviewing this document, you should be aware that any or all of the foregoing, among other things, may give rise to or potential conflicts of interest. We and our Group may rely on information barriers, such as "Chinese Walls" to control the flow of information contained in one or more areas within us, or other areas, units, groups or affiliates of Centrum. Centrum or its affiliates do not make a market in the security of the company for which this report or any report was written. Further, Centrum or its affiliates did not make a market in the subject company's securities at the time that the research report was published.

This report is for information purposes only and this document/material should not be construed as an offer to sell or the solicitation of an offer to buy, purchase or subscribe to any securities, and neither this document nor anything contained herein shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. This document does not solicit any action based on the material contained herein. It is for the general information of the clients of Centrum. Though disseminated to clients simultaneously, not all clients may receive this report at the same time. Centrum will not treat recipients as clients by virtue of their receiving this report. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Similarly, this document does not have regard to the specific investment objectives, financial situation/circumstances and the particular needs of any specific person who may receive this document. The securities discussed in this report may not be suitable for all investors. The securities described herein may not be eligible for sale in all jurisdictions or to all categories of investors. In the countries in which the companies mentioned in this report are organized may have restrictions on investments, voting rights or dealings in securities by nationals of other countries. The appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives. Persons who may receive this document should consider and independently evaluate whether it is suitable for his/her/their particular circumstances and, if necessary, seek professional financial advice. Any such person shall be responsible for conducting his/her/their own investigation and analysis of the information contained or referred to in this document and of evaluating the merits and risks involved in the securities forming the subject matter of this document.

The projections and forecasts described in this report were based upon a number of estimates and assumptions and are inherently subject to significant uncertainties and contingencies. Projections and forecasts are necessarily speculative in nature, and it can be expected that one or more of the estimates on which the projections and forecasts were based will not materialize or will vary significantly from actual results, and such variances will likely increase over time. All projections and forecasts described in this report have been prepared solely by the authors of this report independently of the Company. These projections and forecasts were not prepared with a view toward compliance with published guidelines or generally accepted accounting principles. No independent accountants have expressed an opinion or any other form of assurance on these projections or forecasts. You should not regard the inclusion of the projections and forecasts described herein as a representation or warranty by or on behalf of the Company, Centrum, the authors of this report or any other person that these projections or forecasts or their underlying assumptions will be achieved. For these reasons, you should only consider the projections and forecasts described in this report after carefully evaluating all of the information in this report, including the assumptions underlying such projections and forecasts.

The price and value of the investments referred to in this document/material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance. Future returns are not guaranteed and a loss of original capital may occur. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice. Centrum does not provide tax advice to its clients, and all investors are strongly advised to consult a tax advisor regarding any potential investment. Centrum and its affiliates accept no liabilities for any loss or damage of any kind arising out of the use of this report. Foreign currencies denominated securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of or income derived from the investment. In addition, investors in securities such as ADRs, the value of which are influenced by foreign currencies effectively assume currency risk. Certain transactions including those involving futures, options, and other derivatives as well as non-investment-grade securities give rise to substantial risk and are not suitable for all investors. Please ensure that you have read and understood the current risk disclosure documents before entering into any derivative transactions.

This report/document has been prepared by Centrum, based upon information available to the public and sources, believed to be reliable. No representation or warranty, express or implied is made that it is accurate or complete. Centrum has reviewed the report and, in so far as it includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed. The opinions expressed in this document/material are subject to change without notice and have no obligation to tell you when opinions or information in this report change. This report or recommendations or information contained herein do/does not constitute or purport to constitute investment advice in publicly accessible media and should not be reproduced, transmitted or published by the recipient. The report is for the use and consumption of the recipient only. This publication may not be distributed to the public used by the public media without the express written consent of Centrum. This report or any portion hereof may not be printed, sold or distributed without the written consent of Centrum.

The distribution of this document in other jurisdictions may be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Neither Centrum nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including losing revenue or lost profits that may arise from or in connection with the use of the information.

This document does not constitute an offer or invitation to subscribe for or purchase or deal in any securities and neither this document nor anything contained herein shall form the basis of any contract or commitment whatsoever. This document is strictly confidential and is being furnished to you solely for your information, may not be distributed to the press or other media or may not be reproduced or redistributed to any other person. The distribution of this report in other jurisdictions may be restricted by law and persons into whose possession this report comes should inform themselves about, and observe any such restrictions. By accepting this report, you agree to be bound by the fore going limitations. No representation is made that this report is accurate or complete.
The opinions and projections expressed herein are entirely those of the author and are given as part of the normal research activity of Centrum Broking and are given as of this date and are subject to change without notice. Any opinion estimate or projection herein constitutes a view as of the date of this report and there can be no assurance that future results or events will be consistent with any such opinions, estimate or projection. This document has not been prepared by or in conjunction with or on behalf of or at the instigation of, or by arrangement with the company or any of its directors or any other person. Information in this document must not be relied upon as having been authorized or approved by the company or its directors or any other person. Any opinions and projections contained herein are entirely those of the authors. None of the company or its directors or any other person accepts any liability whatsoever for any loss arising from any use of this document or its contents or otherwise arising in connection therewith. Centrum and its affiliates have not managed or co-managed a public offering for the subject company in the preceding twelve months. Centrum and affiliates have not received compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for service in respect of public offerings, corporate finance, debt restructuring, investment banking or other advisory services in a merger/acquisition or some other sort of specific transaction.

As per the declarations given by him, Mr. Moez Chandani, research analyst and and/or any of their family members do not serve as an officer, director or any way connected to the company/companies mentioned in this report. Further, as declared by them, they are not received any compensation from the above companies in the preceding twelve months. They do not hold any shares by them or through their relatives or in case if holds the shares then will not to do any transactions in the said scrip for 30 days from the date of release such report. Our entire research professionals are our employees and are paid a salary. They do not have any other material conflict of interest of the research analyst or member of which the research analyst knows of has reason to know at the time of publication of the research report or at the time of the public appearance. While we would endeavour to update the information herein on a reasonable basis, Centrum, its associated companies, their directors and employees are under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent Centrum from doing so.

Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or Centrum policies, in circumstances where Centrum is acting in an advisory capacity to this company, or any certain other circumstances. This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject Centrum Broking Limited or its group companies to any registration or licensing requirement within such jurisdiction. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read “Risk Disclosure Document for Capital Market and Derivatives Segments” as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market.

Ratings definitions

Our ratings denote the following 12-month forecast returns:

Buy – The stock is expected to return above 15%.
Add – The stock is expected to return 5-15%.
Reduce – The stock is expected to deliver -5+5% returns.
Sell – The stock is expected to deliver <-5% returns.

Route Mobile

Source: Bloomberg
Disclosure of Interest Statement

1. Business activities of Centrum Broking Limited (CBL)
   Centrum Broking Limited (hereinafter referred to as “CBL”) is a registered member of NSE (Cash, F&O and Currency Derivatives Segments), MCX-SX (Currency Derivatives Segment) and BSE (Cash segment), Depository Participant of CDSL and a SEBI registered Portfolio Manager.

2. Details of Disciplinary History of CBL
   CBL has not been debarred/ suspended by SEBI or any other regulatory authority from accessing/dealing in securities market.

3. Registration status of CBL:
   CBL is registered with SEBI as a Research Analyst (SEBI Registration No. INH000001469)

   Route Mobile

4. Whether Research analyst’s or relatives' have any financial interest in the subject company and nature of such financial interest
   No

5. Whether Research analyst or relatives have actual / beneficial ownership of 1% or more in securities of the subject company at the end of the month immediately preceding the date of publication of the document.
   No

6. Whether the research analyst or his relatives has any other material conflict of interest
   No

7. Whether research analyst has received any compensation from the subject company in the past 12 months and nature of products / services for which such compensation is received
   No

8. Whether the Research Analyst has received any compensation or any other benefits from the subject company or third party in connection with the research report
   No

9. Whether Research Analysts has served as an officer, director or employee of the subject company
   No

10. Whether the Research Analyst has been engaged in market making activity of the subject company.
    No

11. Whether it or its associates have managed or co-managed public offering of securities for the subject company in the past twelve months;
    No

12. Whether it or its associates have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months;
    No

13. Whether it or its associates have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months;
    No

Member (NSE and BSE). Member Msei (Inactive)

Single SEBI Regn. No.: INZ000205331

Depository Participant (DP)
CDSL DP ID: 120 – 12200
Single SEBI Regn. No.: IN-DP-537-2020

PORTFOLIO MANAGER

SEBI REGN NO.: INP000004383

Research Analyst
SEBI Registration No. INH000001469

Mutual Fund Distributor
AMFI REGN No. ARN- 147569

Website: www.centrum.co.in

Investor Grievance Email ID: investor.grievances@centrum.co.in

Compliance Officer Details:
Ajay S Bendkhale
(022) 4215 9000/9023; Email ID: compliance@centrum.co.in

Centrum Broking Ltd. (CIN :U67120MH1994PLC078125)

Registered Office Address
Bombay Mutual Building, 2nd Floor, Dr. D. N. Road, Fort, Mumbai - 400 001

Corporate Office & Correspondence Address
Centrum House 6th Floor, CST Road, Near Vidya Nagari Marg, Kalina, Santacruz (E), Mumbai 400 098.
Tel: (022) 4215 9000 Fax: +91 22 4215 9344

Centrum Institutional Research