

# 2020 INTERIM FINANCIAL RESULTS



**Investor Presentation**

*August 31th 2020*

**Mobvīsta**

# Statement of Caution

This document contains forward-looking statements. These statements relate to expectations concerning matters that (a) are not historical facts, (b) predict or forecast future events or results, or (c) embody assumptions that may prove to have been inaccurate, including statements relating to the business strategies, needs and expectations of advertisers, industry and market trends, expectations regarding investment strategies, and the financial targets such as revenue, gross margin, adjusted EBITDA, and adjusted net income of Mobvista, Inc. (the Company). When words such as “believe,” “expect,” “anticipate,” “will”, “outlook” or similar expressions are used, the Company is making forward-looking statements. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it cannot give readers any assurance that such expectations will prove correct. These forward-looking statements involve risks, uncertainties and assumptions, including those related to the company’s limited operating history, which makes it difficult to evaluate the Company’s business and prospects, the market for performance-based programmatic advertising developing slower or differently than the Company’s expectations, the demands and expectations of clients and the ability to attract and retain clients. The actual results may differ materially from those anticipated in the forward-looking statements as a result of numerous factors, many of which are beyond the control of the Company.

The Company does not intend to update any forward-looking statement contained in this press release to reflect events or circumstances arising after the date hereof. Included within this presentation are adjusted financial measures that supplement the Condensed Consolidated Statements of Operations of the Company prepared under IFRS. Reconciliations of IFRS to non-IFRS amounts for the periods presented herein are provided in schedules accompanying this presentation and should be considered together with the Condensed Consolidated Statements of Operations. These adjusted measures are not meant as a substitute for IFRS, but are included solely for informational and comparative purposes. The Company’s management believes that this information can assist investors in evaluating the Company’s operational trends, financial performance, and cash generating capacity. Management believes these adjusted measures allow investors to evaluate the Company’s financial performance using some of the same measures as management. However, the adjusted financial measures should not be regarded as a replacement for or superior to corresponding, similarly captioned, IFRS measures and may be different from adjusted financial measures used by other companies. Information contained in this presentation concerning the industry and the markets in which the Company operates, including the Company’s general expectations and market position, market opportunity and market size, is based on reports from various third-party sources, assumptions that the Company has made based on information in such reports and the Company’s knowledge of the market for its platform. Although the Company believes such third-party sources to be reliable, the Company has not independently verified the information and cannot guarantee its accuracy and completeness.

# WHAT WE DO

---

We launch a platform to power  
ad buyers and traffic sellers.

Most buyers are app developers.

# **WE ARE SAAS LIKE, AND COULD BE MORE PROFITABLE THAN SAAS.**

---

**We are far beyond a media company or ad agency.**

**We do not compete with them We fund them.**

# WE ARE SAAS LIKE, AND COULD BE MORE PROFITABLE THAN SAAS.

---

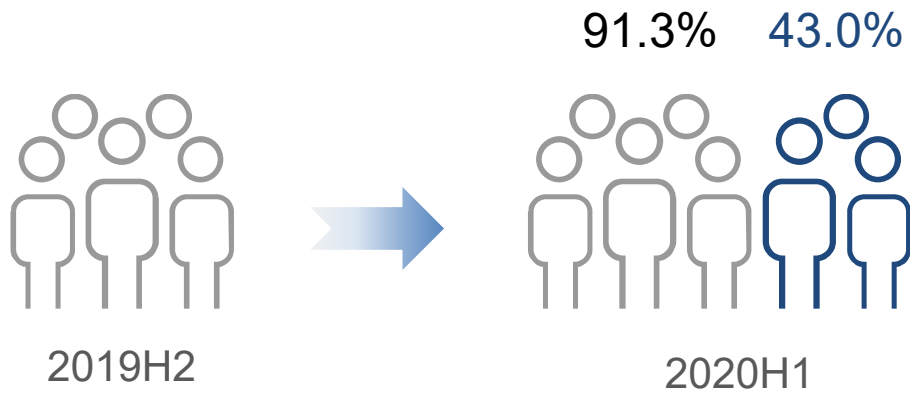
We have **90%+** Client and Traffic Retention Rate.

What's more, we have **50%+** Ad Spend Expansion from existing customers.

We leverage ***Unit Economics***, and ***Extensive Business***.

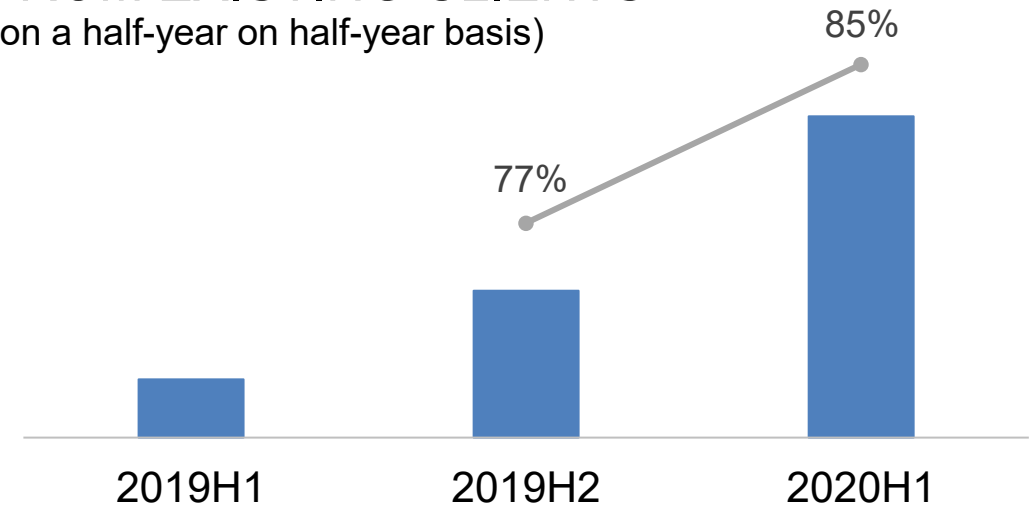
# Mintegral by the Numbers

## GROWING AND LOYAL CLIENT BASE



## GROSS SPEND EXPANSION FROM EXISTING CLIENTS

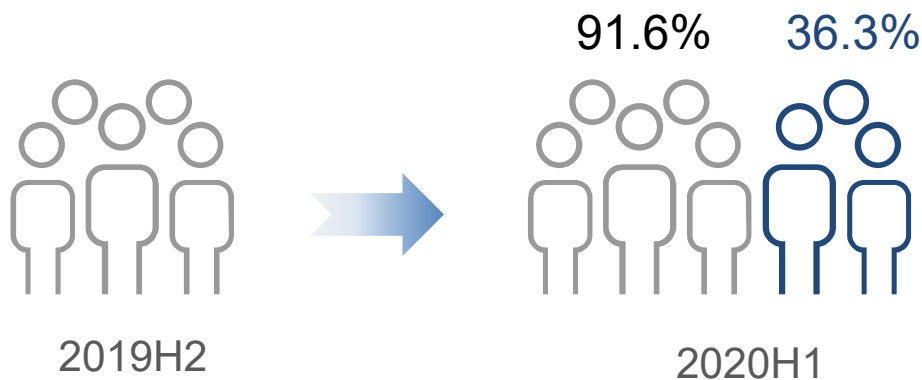
(on a half-year on half-year basis)



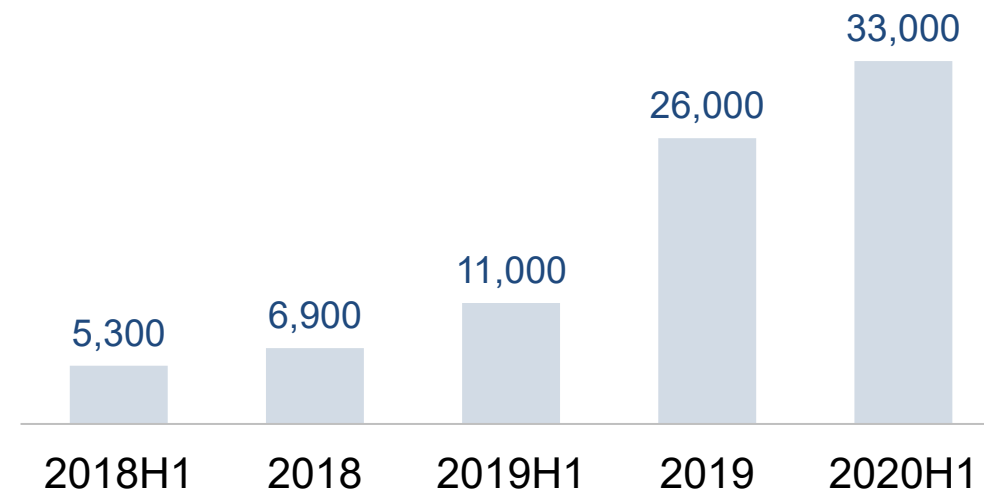
- Strong growth in client base, with 43%+ new active customers compared with 2019H2
- 91.3%+ client retention rate in 2020H1
- 85.0% gross spend expansion in 2020H1 compared to 2019H2 from existing customers

# Mintegral by the Numbers

## INCREASING AND QUALIFIED PUBLISHERS



## MOBILE TRAFFIC



- Strong growth in publisher base, with 43%+ new active customers compared with 2019H2
- Strong growth in mobile traffic, with 33,100+ mobile traffic in 2020H1
- 91.6%+ client retention rate in 2020H1

# WE ARE MARCHING TOWARDS A MASSIVE MARKET

## \$ 163 B

*Note: we suppose the App install ad spend will keep robust growth, and is expected to reach \$163 billion in 2024.*

*Sources: eMarketer (June 2020), AppsFlyer (Feb, 2020), Management estimates*

# Our Market is Massive and Growing

~\$526.2B

Total Digital Ad Spending

~\$163.2B

App Install  
Ad Spend

2024

***We believe programmatic will dominate digital advertising market.***

---

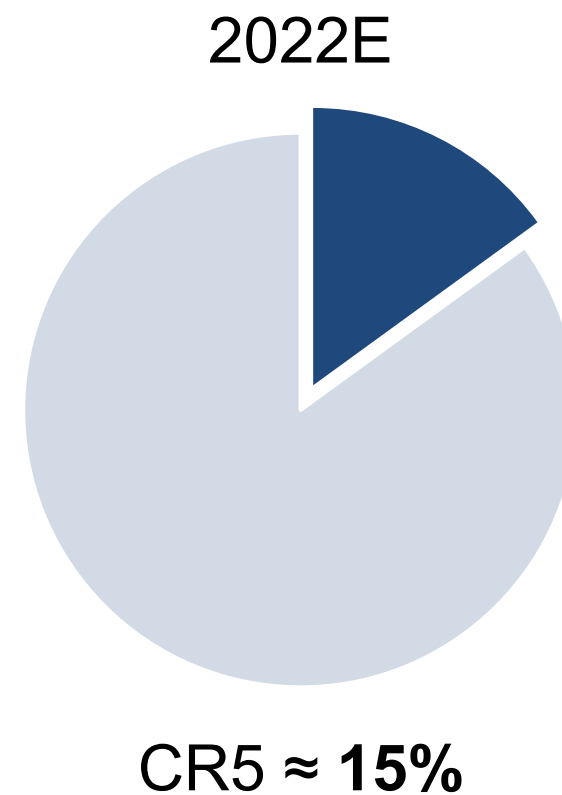
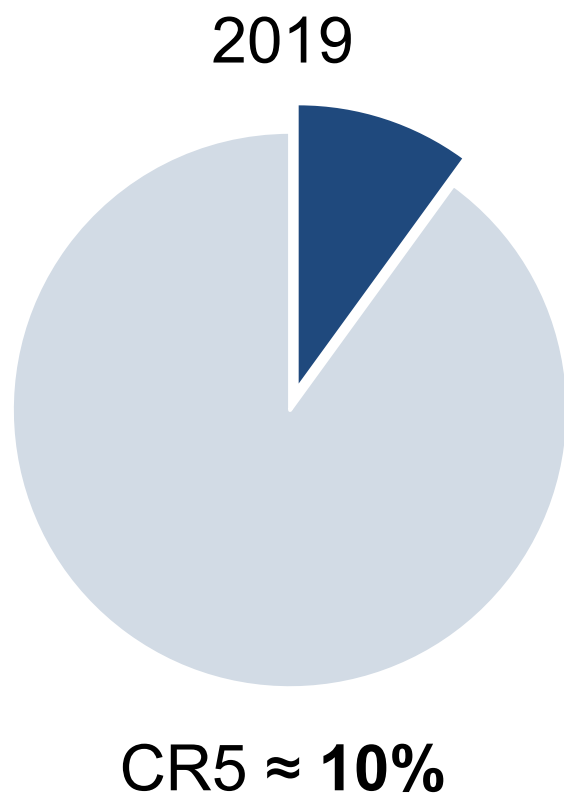
*We expect all markets use programmatic trading for all digital media transactions eventually. Indeed, it's only a matter of time before programmatic trading becomes the default method of trading **for all media**.*

*—Zenith's Programmatic Marketing Forecasts*



**THE MARKET  
WILL BE  
MORE CONCENTRATED**

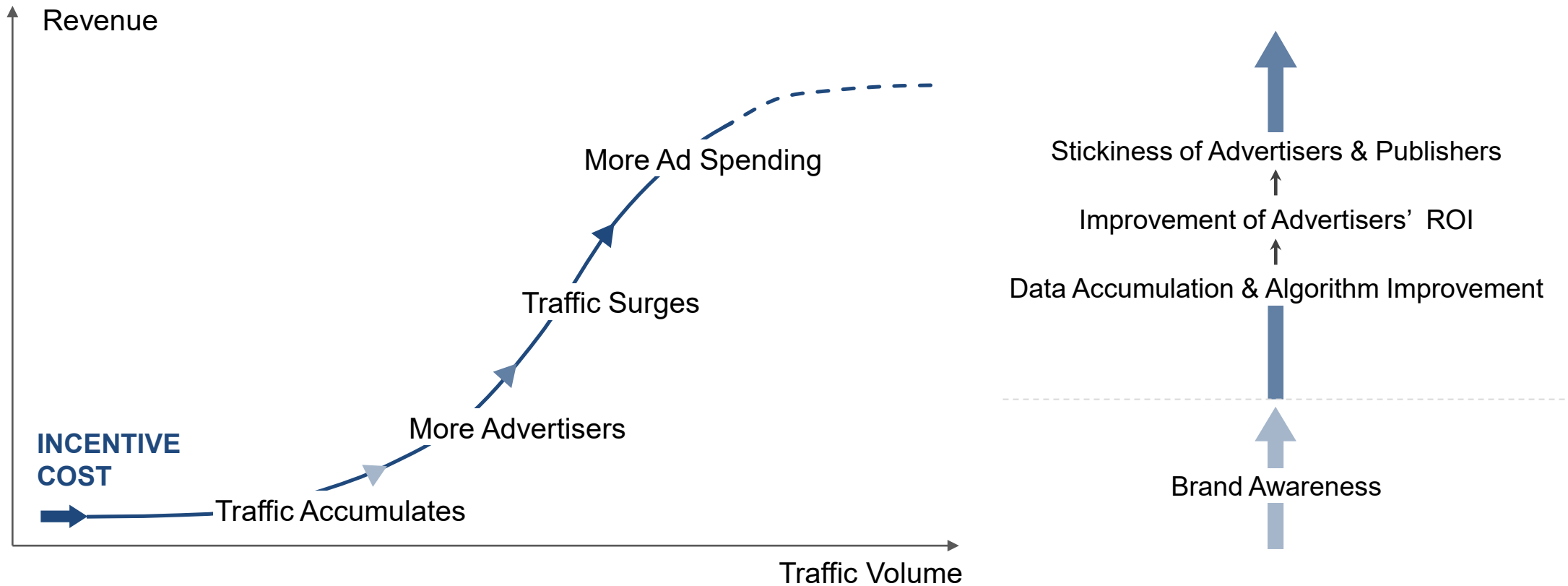
# The Market Concentration Ratio is Increasing



*Note: The slide presents a hypothetical illustrative example of change in market share of the top 5 advertising platform.  
By definition, the top 5 advertising platforms are all independent third-party advertising platforms, excluding media advertising platform.*

*Data source: Mobvista, public sources, and management estimates.*

# Barriers to Competition – Traffic Resources



**TRAFFIC EXPANSION DRIVES BUSINESS GROWTH.**

# Barriers to Competition – Algorithm Capability

## **REVENUE**

Cost per Install x Quantity of App Installs



### **CONVERSION RATE**

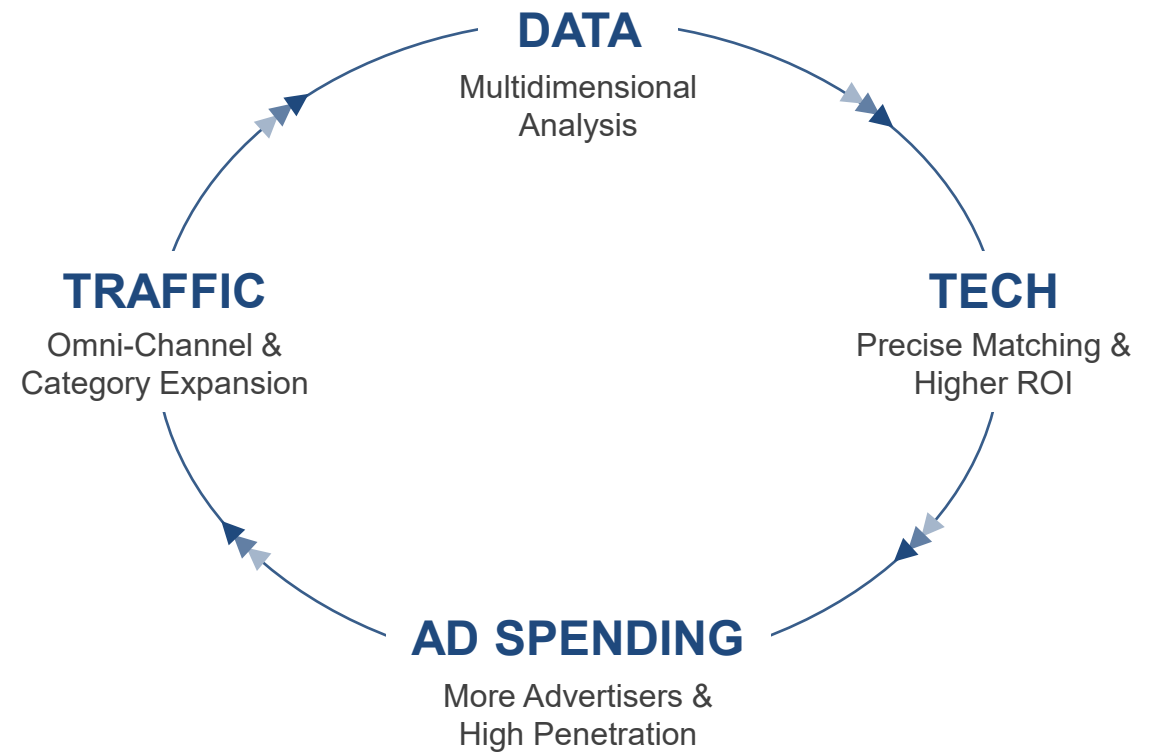
Algorithm determines profitability



## **COST**

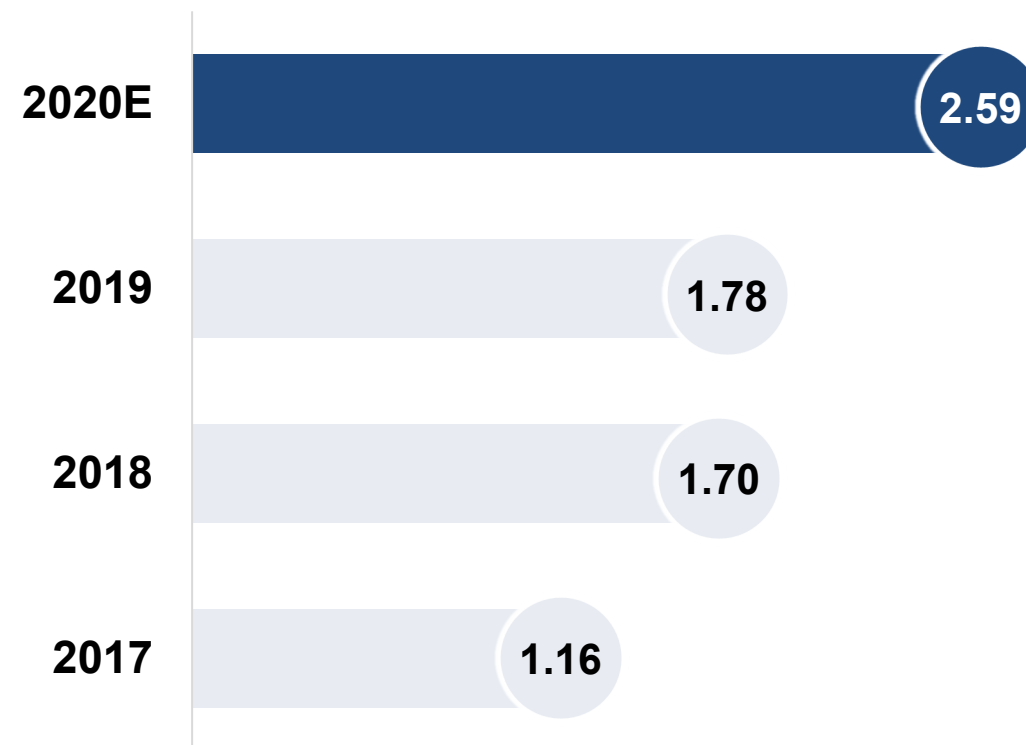
Cost per Mille x Quantity of Ad Impressions

## ADVERTISING **BUSINESS FLY-WHEEL**



# Our Market Share Continues to Increase

	2017	2018	2019	2020E
Market Share %	1.16%	1.70%	1.78%	2.59%
Programmatic Revenue in \$m	114	227	320	601
Global Mobile Programmatic Ad Spending in \$m	9,789	13,366	17,980	23,177



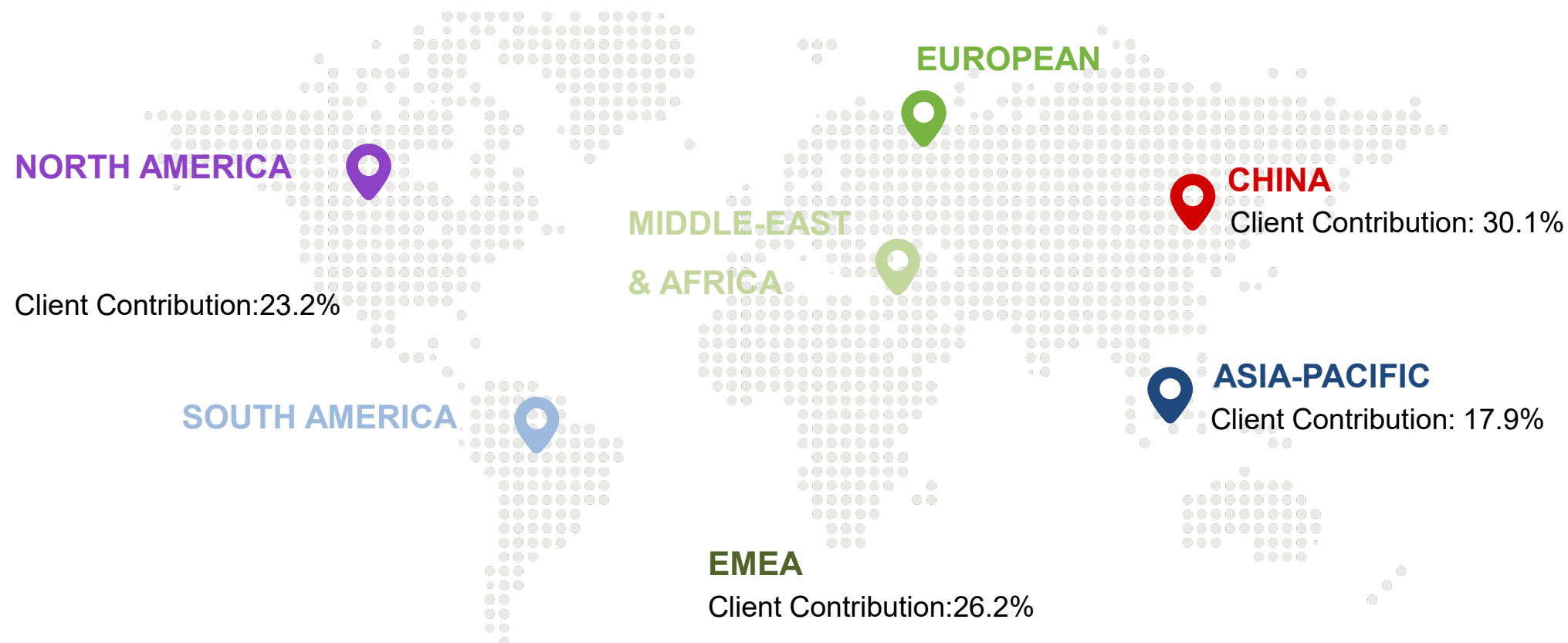
*Note: Our market base is defined as Global Mobile Programmatic Ad Spending other than dominate medias, estimating at about 65% of total market.*

*Source: Mobvista, eMarketer, and management estimates.*



**WE INVEST FOR  
LONG-TERM GROWTH**

# Global Expansion

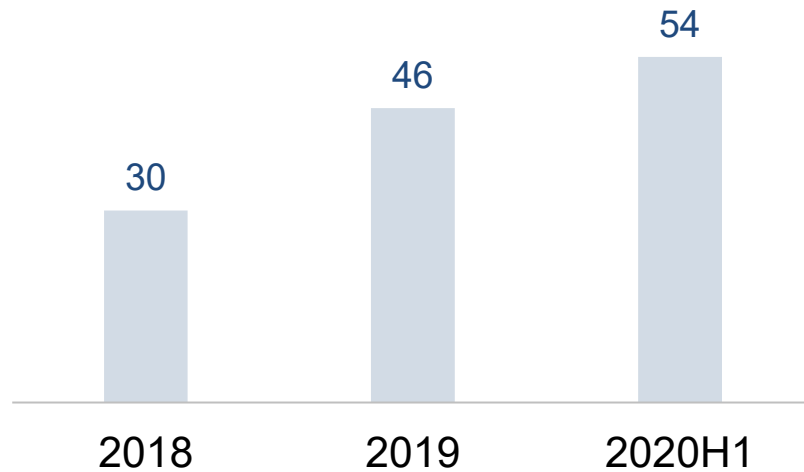


# Greater Reach Potential

## PUBLISHER PENETRATION FOR TOP 100 PUBLISHERS

■ Number of Cooperated Publishers

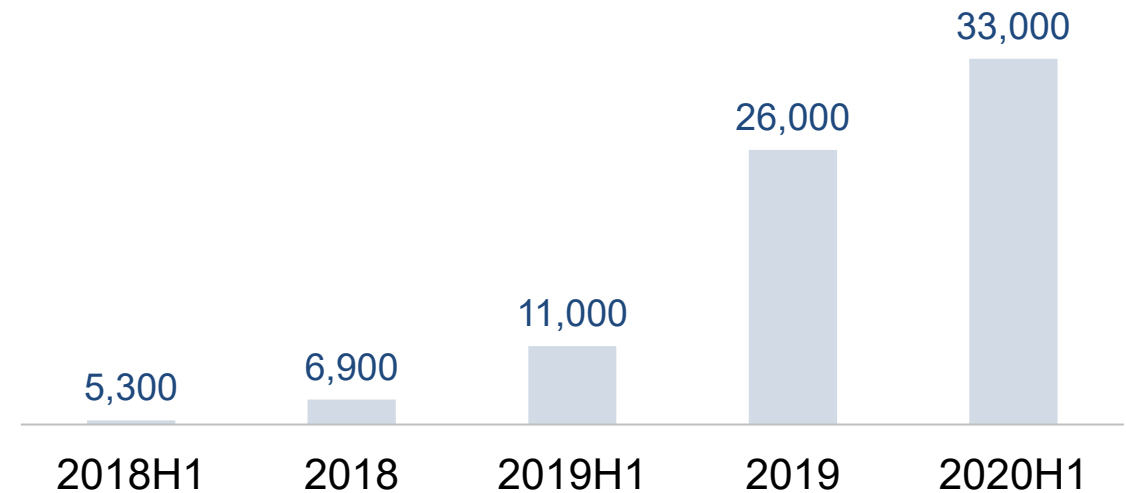
Top 100 Publishers account for ~50% of total app downloads



## MINTEGRAL TRAFFIC INTEGRATION

■ Number of App reached

4,175 Active Publishers in 2020H1

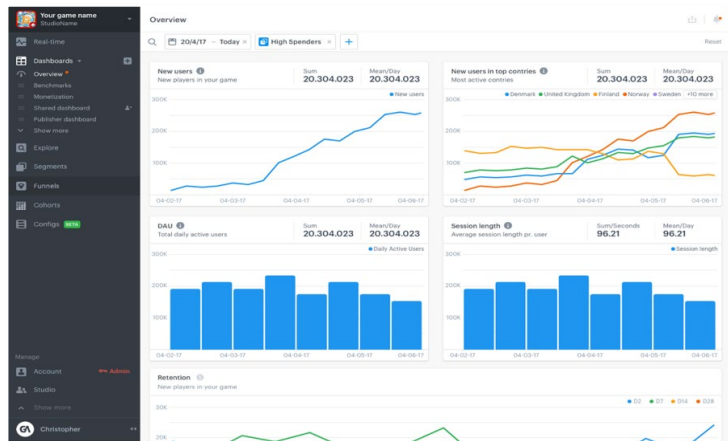


Intergrate premium traffic through incentive plan to grab market share

# Long-term Strategy: Tool Matrix

## GameAnalytics

GAME PLAYER BEHAVIOR ANALYSIS PLATFORM

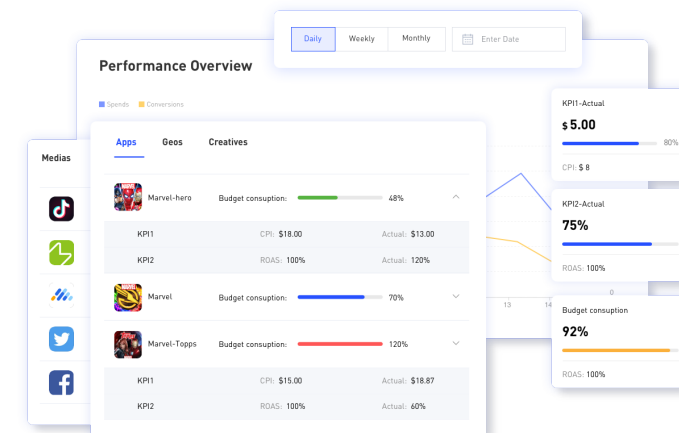


- Player Behavior Tracking & Analytics
- Global Performance Insights
- Benefit Advertising Business from Data and Client Perspective

...

## Nativex

SELF-SERVE TRADING DESK



- Self-service Platform
- Better Manage & Scale Across Omni-Channels
- Facilitate Clients & Increase Measurable Performance

...

# Data Protection and Ad Fraud Prevention

SOC2 AUDITED



We are one of the very company in mobile marketing industry had SOC 2 audit.



PROPRIETARY ANTI-FRAUD TECHNOLOGY TO ENSURE INVENTORY QUALITY

## Against:

- Non-human invalid traffic (IVT)
- Impression ad fraud
- Ad stacking
- Click injection
- Performance & install fraud
- .....

The background of the slide features a blue-tinted image of a hand holding a pen and drawing a line graph on a transparent surface. The graph includes a solid line with an upward-pointing arrow, a dashed line, and several data points. In the bottom right corner, there are some numerical labels: 80.08.1, 205.1, and 36.5.2. On the left side, there is a vertical axis with numerical labels: 8000, 6000, 4000, 2000, 0, -2000, 1000, and 00.

# FINANCIAL UPDATE

---

GROWTH INVESTMENT

# Strong Financial Model

- Robust **TOP LINE GROWTH**
- Strong **BALANCE SHEET**
- Proven **PROFITABILITY**
- Positive **OPERATIONAL CASH FLOW**
- SaaS like model drives **STRONG OPERATING LEVERAGE**

**192 M**

(YoY 51.4%)

Programmatic  
Revenue

Adjusted Net Income

**23 M**

(YoY 34.2%)

**161 M**

(YoY 25.7%)

Operational  
Cash Flow

Sufficient Cash

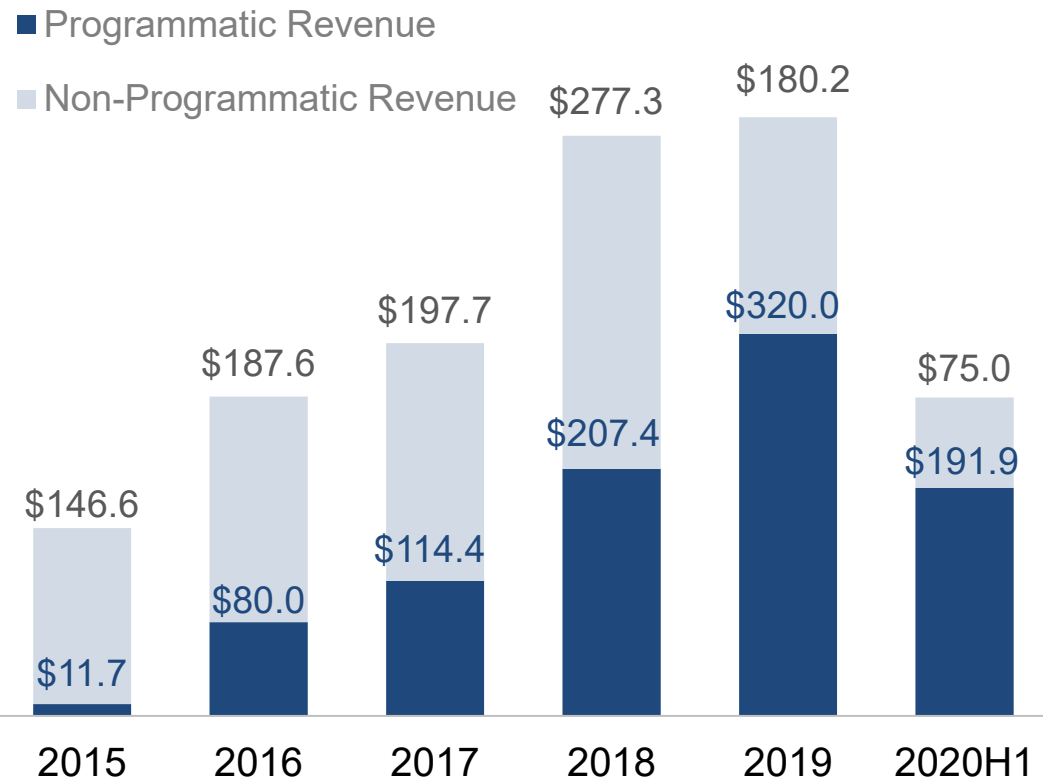
**108 M**

(CCE and  
Wealth Management Product)

# Robust Revenue Growth

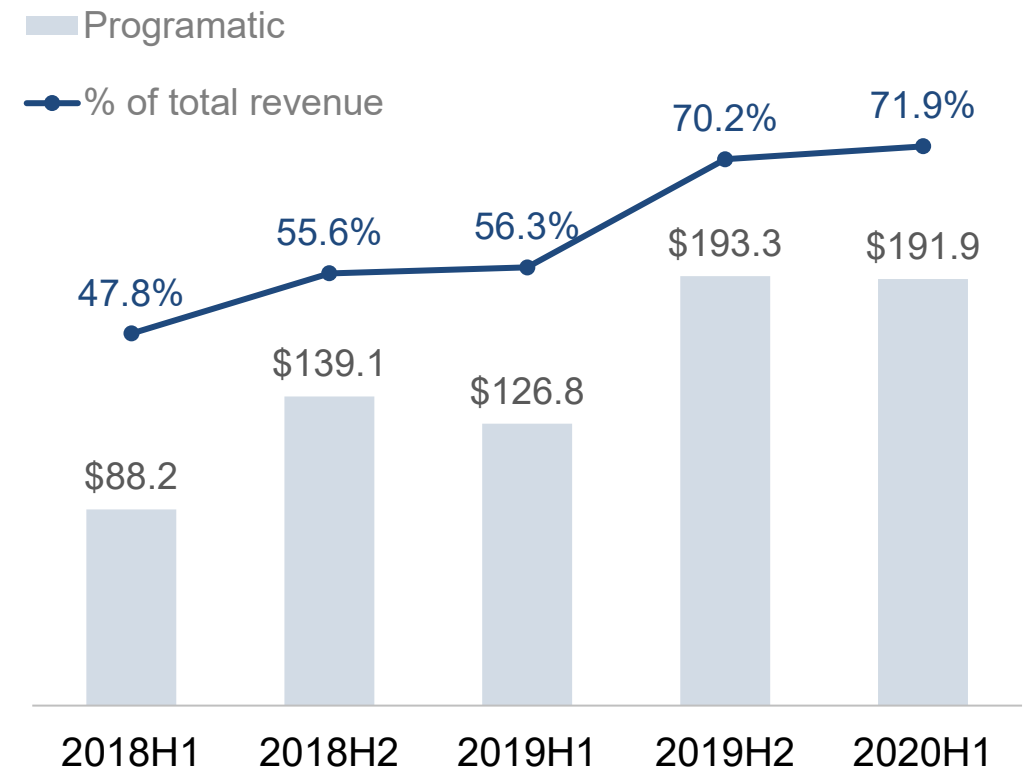
## ADVERTISING REVENUE

(\$ in millions)



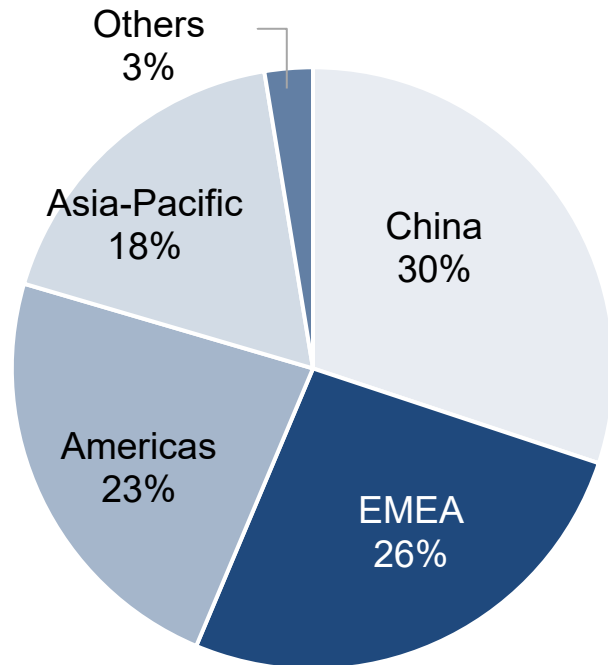
## PROGRAMMATIC REVENUE

(\$ in millions)

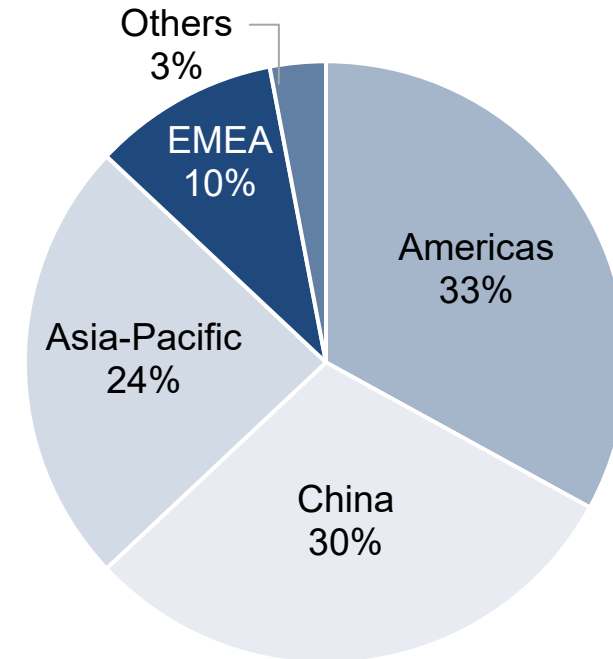


# Diversified Across Various Countries

ADVERTISING REVENUE BY  
ADVERTISER REGION



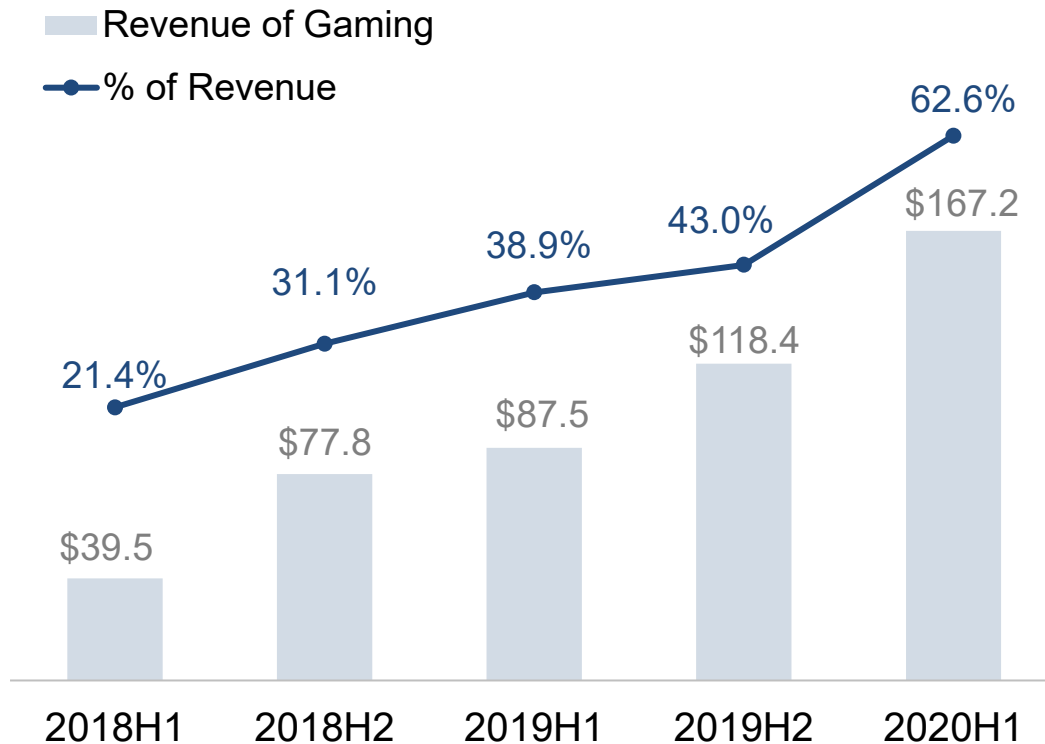
ADVERTISING REVENUE BY  
IMPRESSION REGION



# Impelled by Games

## ADVERTISING REVENUE BY CATEGORY

(\$ in millions)



## LEADS GENERATION POOL

# GameAnalytics

**80,000+** Game Publishers

**105,000+** Active Games



# FINANCIAL UPDATE

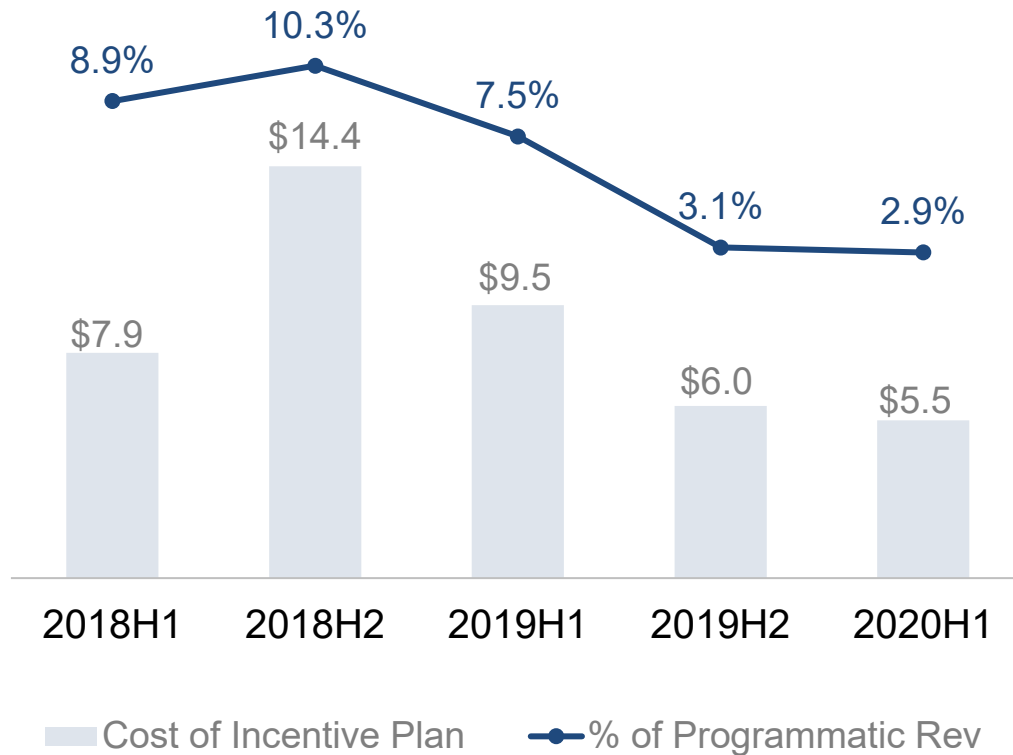
---

GROWTH INVESTMENT

# Consistency in Operating Plan

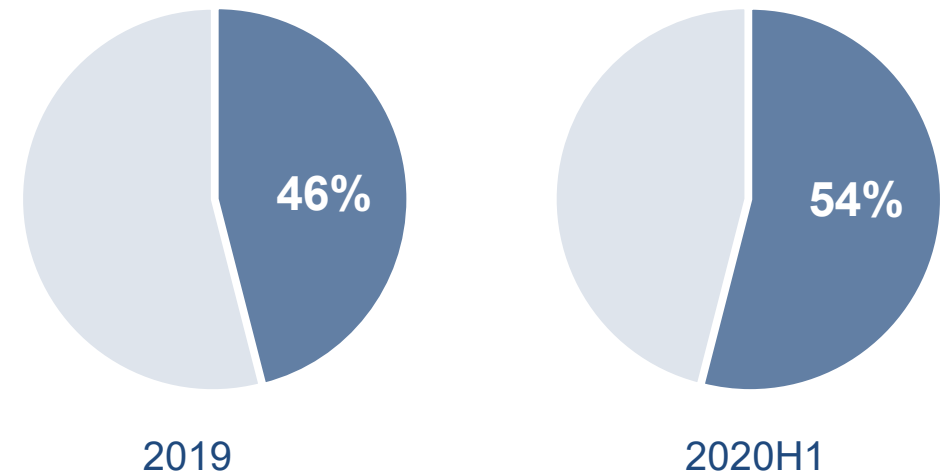
## INCENTIVE PLAN COST

(\$ in millions)



## GREATER POTENTIAL OF PREMIUM TRAFFIC REACH

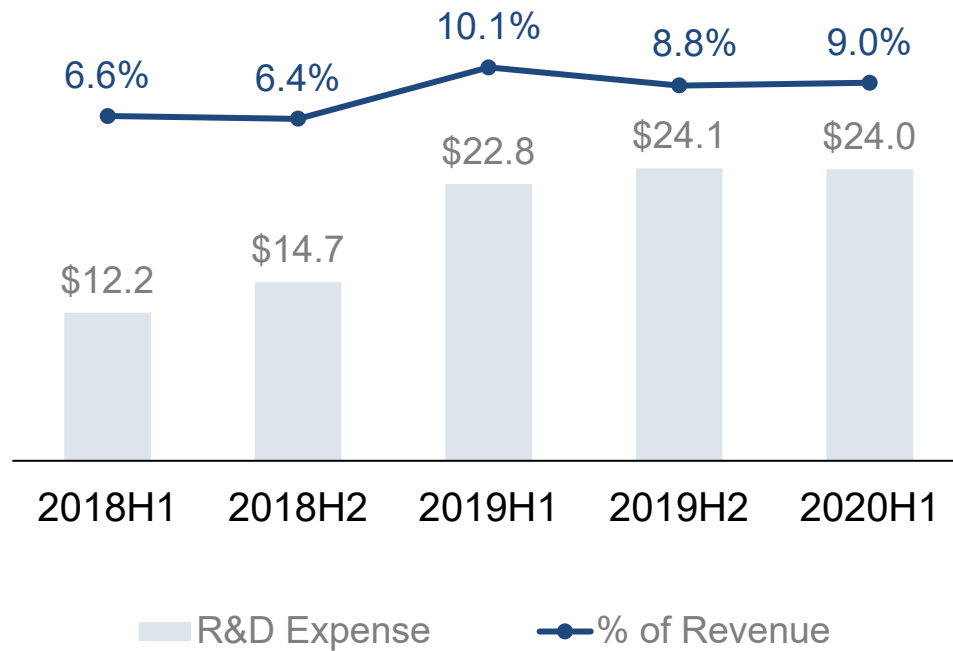
Penetration Rate for top 100 Publishers



# Growth Supported by Evolving R&D Investment

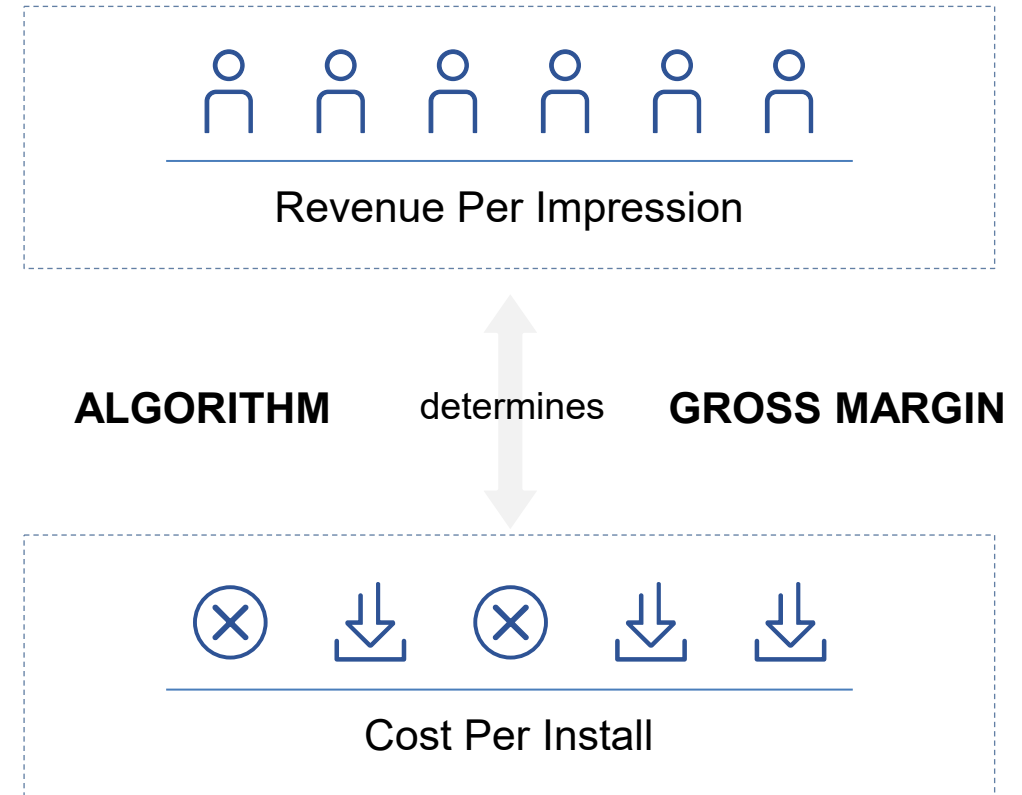
## RESEARCH AND DEVELOPMENT EXPENSES

(\$ in millions)



\*ESOP is not included in R&D expense, capitalized R&D spending is included

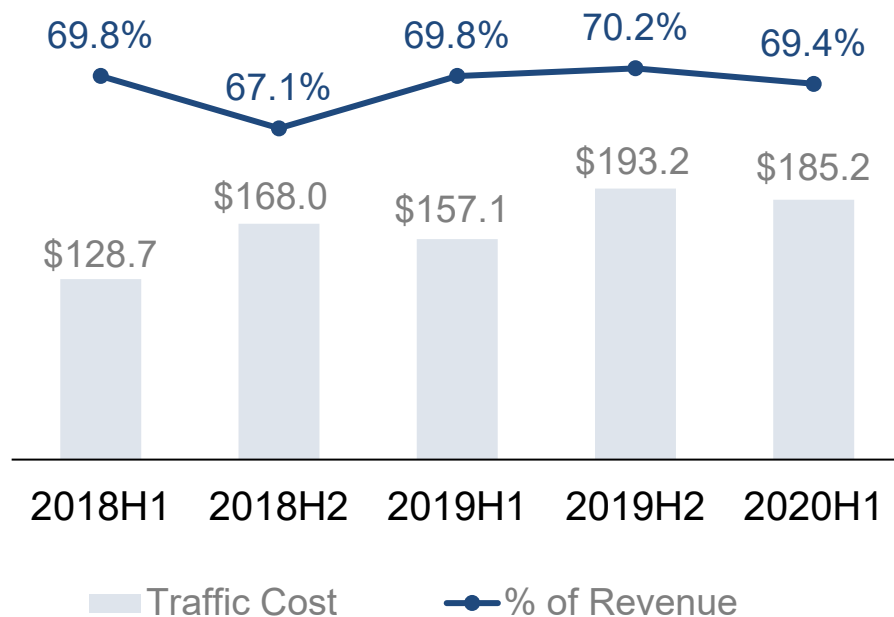
## THE LOGIC OF LASTING R&D INVESTMENT



# Traffic and Server Cost

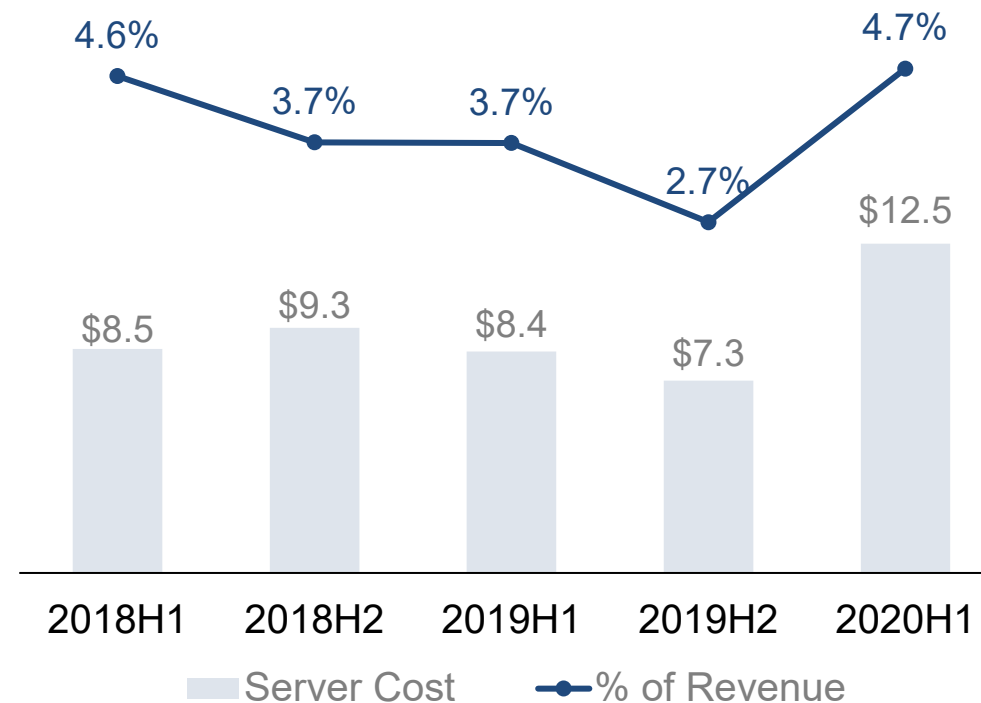
## TRAFFIC COST EXCLUDING INCENTIVE PLAN

(\$ in millions)



## SERVER COST

(\$ in millions)

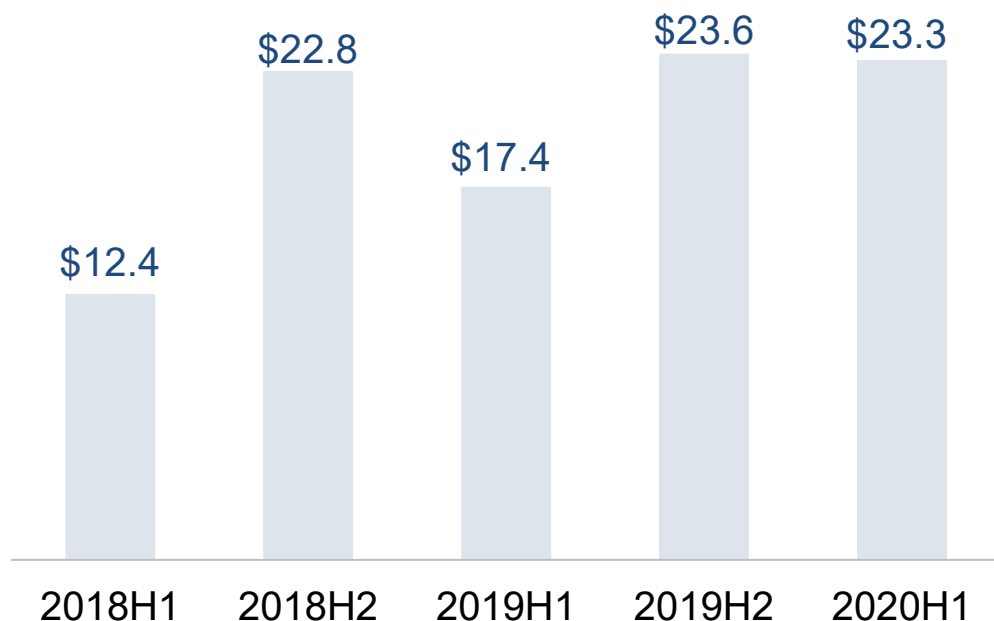


# Profitability and Long Term Model

## Adjusted Net Profit

(\$ in millions)

■ Net Profit\*adj.



	2019	2020H1	LONG TERM TARGET
Gross Margin	23.7%	21.8% →	~35%
M&S	1.6%	1.5%	~1.5%
R&D	9.4%	6.8%	~6.0%
G&A	8.3%	5.5%	~5.0%
Operating Margin	4.4%	8.0% →	~22.5%+

\*Net Profit is adjusted by ESOP, Listing Fee and changes in fair value of investment products

Note: Gross Margin, M&S, R&D, G&A are adjusted for ESOP, R&D is also adjusted for adding back of capitalization

The background is a dark blue gradient overlaid with faint, semi-transparent financial data. On the left, there is a bar chart with several vertical bars of varying heights. To the right, there is a line graph with a grid. Various numerical values are scattered across the background, including '15.44', '75.25', '23', '55.01', '-12.14', and '47.9'. The text 'THE VIEW INTO OUR FUTURE' is centered in a bold, white, sans-serif font.

# THE VIEW INTO OUR FUTURE

# Investment Highlights

- We have a **MASSIVE AND CERTAIN** total addressable market.
- The market is **CONCENTRATING**.
- Our **GROWTH MODEL** has been built up.
- **SAAS** Like Business Model, and could be more profitable than SaaS.
- **STRONG OPERATING LEVERAGE**.
- We've been always **PROFITABLE**.

# Risk Factors

- **LEGAL RISKS**

- Instability in global legislation or policies, or uncertainty caused by lack of uniformity among laws to which we are subject to
- Amendment of Privacy and Data Protection Legislation and Regulation

- **INDUSTRY RISKS**

- Mobile Operating Systems such as iOS or Android could tighten data and privacy protections, which may cause changes to the industry, our business model, and the competitive landscape.
- Changes or disruptions to services from cloud computing or server hosting providers may impair our business.

- **BUSINESS RISKS**

- Underhanded competition: Ill-natured actions from our competitors could harm our reputation
- Increasing our resources allocated to business expansion may affect our profitability in the short term
- Our adherence to stricter privacy protection rules may affect the accuracy of ad targeting in the short-term and damage short-term profitability
- Our access to quality advertising inventory could diminish or fail to expand
- We fail to maintain or grow our client base and ad spend through our platform



# THANK YOU!

Web:

[www.mobvista.com](http://www.mobvista.com)

Tel:

86-20-37039010

Mail:

[IR@mobvista.com](mailto:IR@mobvista.com)

**Mobvista**