



CAPSTOCKS & SECURITIES (INDIA) PVT. LTD.

Affle (India) Limited

Issue Date: July 29 – July 31	Sector: Mobile advertising
Price Range: Rs 740 - Rs 745	Location: Mumbai
Market Lot: 20	Inc Yr: 2005
Face Value: 10	Issue Size: Rs 459 Crore

Incorporated in 2005, Affle (India) Limited is a mobile marketing firm offering a Consumer and Enterprise Platforms. The platform is built to mitigate digital ad fraud, assisting consumer privacy expectations and improve returns on marketing expenses by delivering mobile ads.

The advertising agencies of business to consumer (B2C) companies uses the consumer platform across different industries. The list of industries includes telecom, fin-tech, e-commerce, retail, FMCG companies, and media.

Affle uses user-intent indicators based on transactional data, marketing attribution and behavioural signals. Based on such information, the company predicts the likely interest of the user. It keeps on updating the system based on data to improve consumer engagement and enable consumer actions. The company runs the campaigns on data intelligence basis to drive high volumes at an efficient price.

The company earns revenue from a cost per converted user (CPCU) basis. The conversion can be based on the transaction (purchase a product or service) and consumer acquisition model (acquire a new consumer). Besides, the company also earns revenue by engagement and awareness type advertising.

Affle also provides end-to-end solutions by developing App, offering enterprise platform, assisting offline e-commerce businesses in offline to online commerce. Microsoft has a 6.48% stake in the Singapore based Affle Holdings.

The competitive strengths of the company are:

1. A high growth market
2. A good track record
3. Low-cost business model
4. Deep understanding of consumer intent and behaviour
5. Global customer base

Company Promoters:

The promoters of our Company, being Anuj Khanna Sohum and Affle Holdings

Objects of the Issue:

The objects for which the company intends to use the Net Proceeds are as follows:

1. Funding the working capital requirements of the Company; and
2. General corporate purposes.

Our Rating: 16 (Average)

Rating Procedure

	Criteria for giving points	Points	Out Off
Business Risk	Lesser risk higher points	3	5
Financial Risk	Lesser risk higher points	2	5
Market Risk	Lesser risk higher points	3	5
Objective of IPO	Growth & expansion gets more points	3	5
Price	Fair price will get more points	5	10
Total		16	30

A	21 & Above 21	Best to apply	D	11 to 14	Poor
B	18 to 20	Good	E	10 & Below 10	Very Poor
C	15 to 17	Average			

Note: The issue is aggressively priced. Investors with long term view can subscribe the issue of Affle (India) Limited.

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