



# iClick Interactive Asia Group Limited

## Third Quarter 2020 Earnings Presentation

NASDAQ: **ICLK** | 24 November 2020

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This presentation contains certain financial measures that are not recognized under generally accepted accounting principles in the United States ("GAAP"). The Company uses adjusted EBITDA, adjusted net income/(loss), and diluted adjusted net income/(loss) per ADS, each a non-GAAP financial measure, in evaluating the Company's operating results and for financial and operational decision-making purposes. The Company believes that adjusted EBITDA, adjusted net income/(loss), and diluted adjusted net income/(loss) per ADS help identify underlying trends in the Company's business that could otherwise be obscured by the effect of the expenses and gains that the Company includes in net loss. The Company believes that adjusted EBITDA and adjusted net income/(loss) provide useful information about the Company's operating results, enhance the overall understanding of the Company's performance and allow for greater visibility with respect to key metrics used by the Company's management in its financial and operational decision-making. Adjusted EBITDA, adjusted net income/(loss), and diluted adjusted net income/(loss) per ADS should not be considered in isolation or construed as an alternative to net loss or any other measure of performance or as an indicator of the Company's operating performance. Investors are encouraged to review the historical non-GAAP financial measures to the most directly comparable GAAP measures. Adjusted EBITDA, adjusted net income/(loss), and diluted adjusted net income/(loss) per ADS presented here may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting their usefulness as comparative measures to the Company's data. The Company encourages investors and others to review the Company's financial information in its entirety and not rely on a single financial measure. See Appendix for a reconciliation of the Company's adjusted EBITDA to net loss, its most comparable GAAP measure, and a reconciliation of the Company's adjusted net income/(loss) to net loss, its most comparable GAAP measure. These non-GAAP financial measures were presented with the most directly comparable GAAP financial measures together for facilitating a more comprehensive understanding of operating performance between periods.

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# **BUSINESS UPDATE**

# Key Business Updates

	Fast Facts	Rationale and Synergies
<b>Completed Follow-on Offering</b>	The offering size was 8,500,001 ADSs and priced at US\$8.50 per ADS	<ul style="list-style-type: none"><li>• Fuels long-term development of Enterprise Solutions</li><li>• Enables iClick to seek M&amp;A opportunities more actively</li></ul>
<b>Expanded Stake in Changyi</b>	Increased controlling interest in Changyi, a leading independent software vendor in China which provides intelligent retail and CRM solutions	<ul style="list-style-type: none"><li>• Accelerate the integration of Changyi's products and services into iClick</li><li>• Further strengthen Enterprise Solutions offerings to provide clients the industry-leading smart retail solutions</li></ul>
<b>CMRS Acquisition</b>	100% acquisition of CMRS, a leading marketing automation solution provider focused in Greater China	<ul style="list-style-type: none"><li>• Enhance and solidify iClick's full product offerings</li><li>• Further cross-sell/up-sell to CMRS Group's strong cross-border clientele, which will contribute to our bottom line</li></ul>
<b>Strategic Collaboration on SaaS Solutions with Tencent IBG</b>	To co-develop "Smart Retail" and "Smart Travel" SaaS solutions, which will initially be available in key APAC markets	<ul style="list-style-type: none"><li>• Leverage respective strengths of iClick and Tencent to expand into international markets more efficiently</li><li>• Accelerate the development of Enterprise Solutions</li></ul>
<b>Launched New Marketing Analysis - iNsights</b>	iNsights to give brands in-depth and actionable consumer behavior insights to drive more effective marketing campaigns	<ul style="list-style-type: none"><li>• Empowers global marketers to efficiently track and analyze audience behavior across omni-channels &amp; markets</li><li>• Strong addition to iSuite solutions, iNsights completes the full campaign cycle</li></ul>

# Industry Recognition



## Global Excellence Awards by AI Global Media

- Most Innovative Marketing Technology Solutions Provider 2020



## The CEO Views

- Top 50 Most Admired Companies to Watch 2020



## Smart Retailing Awards by Hong Kong Retail Management Association

- Smart Retail Tech Award – Merit Award



## Tiger Roar Award 2020

- Big Data & Smart Solutions Company of the Year



## Creative Award Innovation 2020

- Best Marketing – Gold



## ADMEN<sup>INT</sup> Awards

- Best Marketing Case Study – Gold
- The Most Valuable Digital Marketing Company of the Year



## China Private Traffic Industry Award 2020

- Top 10 Private Traffic Service Providers



## The Drum Digital Advertising Awards APAC 2020

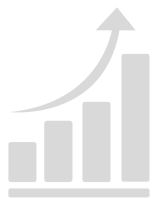
- Best Audience Measurement Platform



# KEY FINANCIAL HIGHLIGHTS

# Another Record High Quarter

– Historical high revenue and gross profit –



## Revenue

US\$69 mn  
**+27%** YoY



## Gross Profit

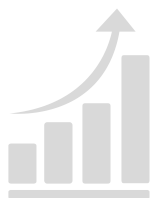
US\$20 mn  
**+48%** YoY



## Net Loss\*

US\$7.1 mn

*\*Primarily resulting from the fair value losses of convertible notes and derivative liabilities totalling US\$7.8mn*



## Adjusted EBITDA<sup>1</sup>

US\$4.7 mn  
**+225%** YoY



## Adjusted net income<sup>1</sup>

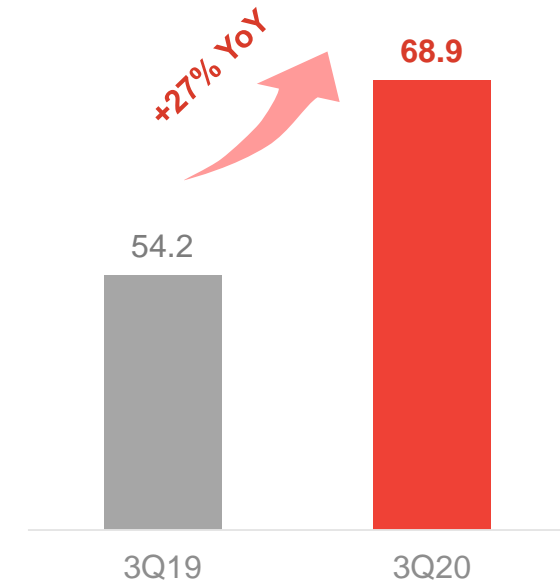
US\$2.4 mn  
**Positive for the 4<sup>th</sup> consecutive quarter**

Note:  
1. For more details on these non-GAAP financial measures, please see the tables captioned "Unaudited Reconciliations of GAAP and non-GAAP Results" set forth at the end of this presentation.

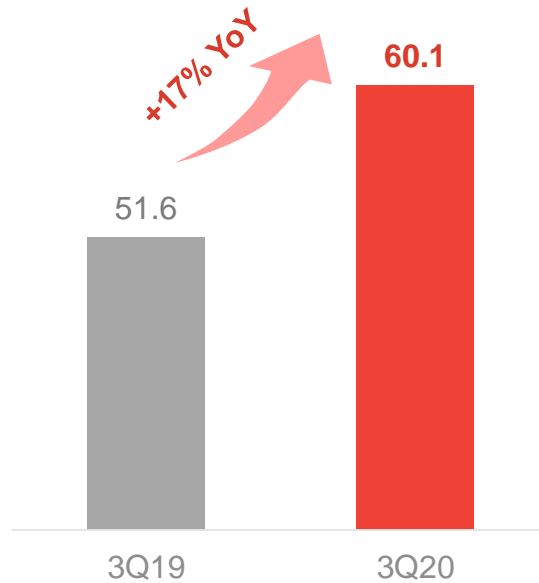
# Historical High Revenue Despite Macro Challenges

- Driven by growing market demand for Marketing and Enterprise Solutions -
- Continuous record-breaking revenues for Enterprise Solutions, more than tripled of last year -

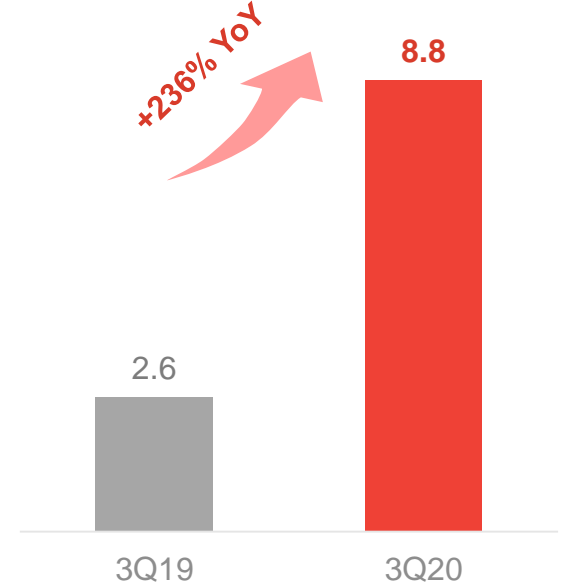
US\$ mn Revenue



Revenue of Marketing Solutions



Revenue of Enterprise Solutions

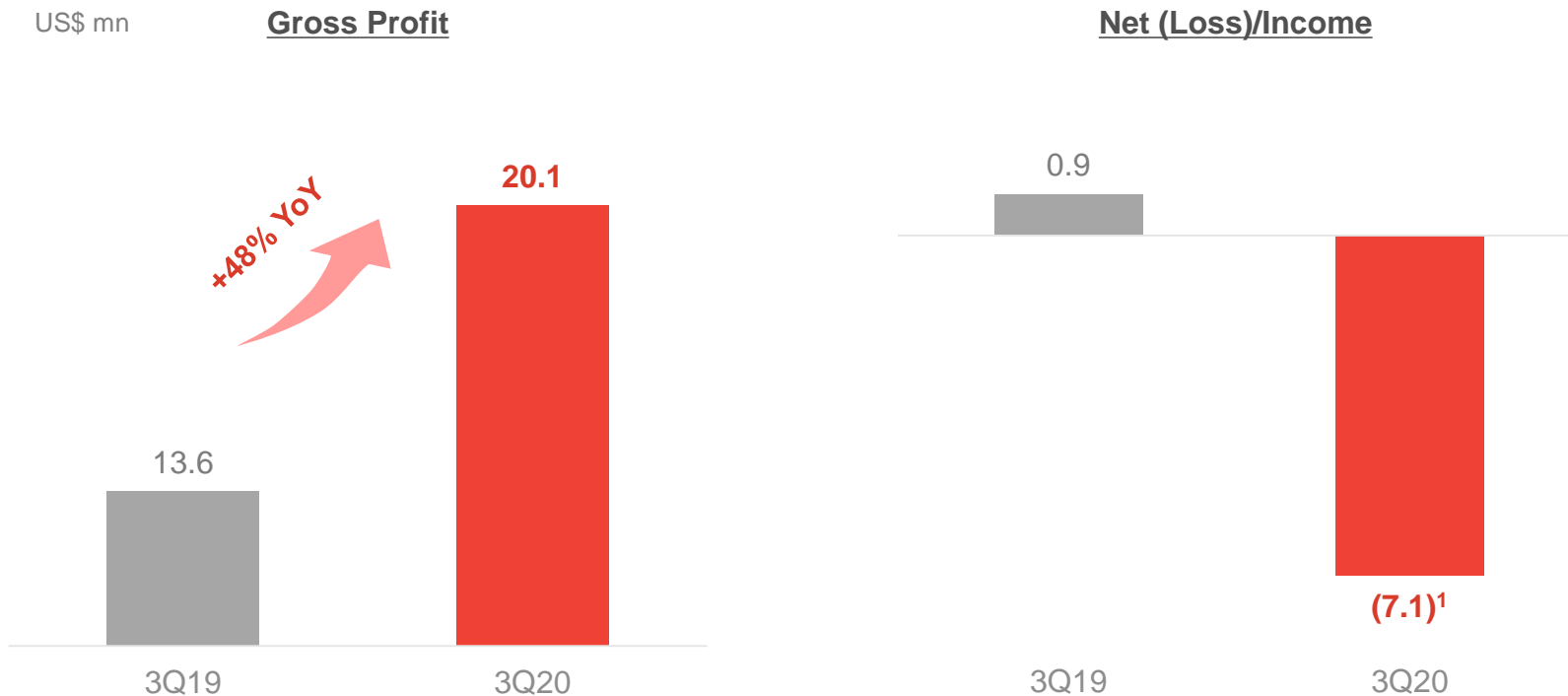




# Favorable Product Mix Drives Gross Profit Performance

– Record historical high gross profit –

– Driven by the increasing contribution from higher-margin Enterprise Solutions –



Note:

1. This was mainly because of (i) the fair value losses of convertible notes of US\$1.4 million in the third quarter of 2020, compared to the US\$2.9 million fair value gain of convertible notes in the third quarter of 2019 and (ii) the fair value losses of derivative liabilities of US\$6.3 million in the third quarter of 2020.

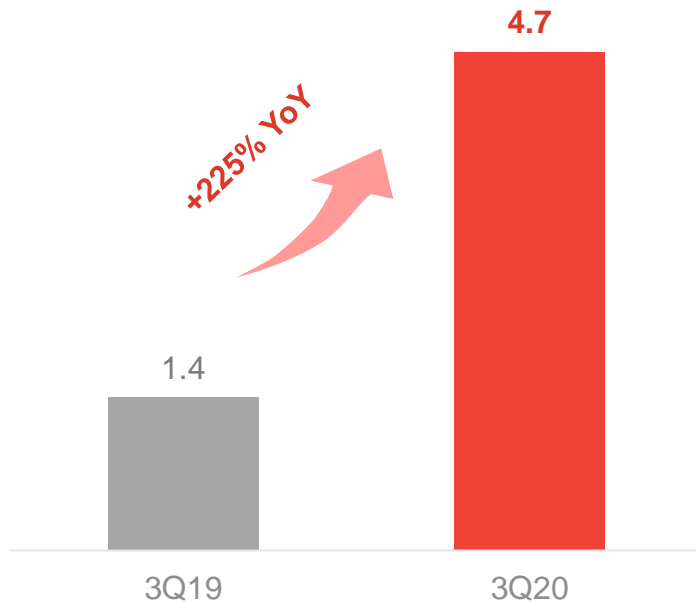
# Profitability Has Continued to Improve Significantly

– Adjusted EBITDA\* more than tripled –

– Fourth consecutive quarter of adjusted net income\* –

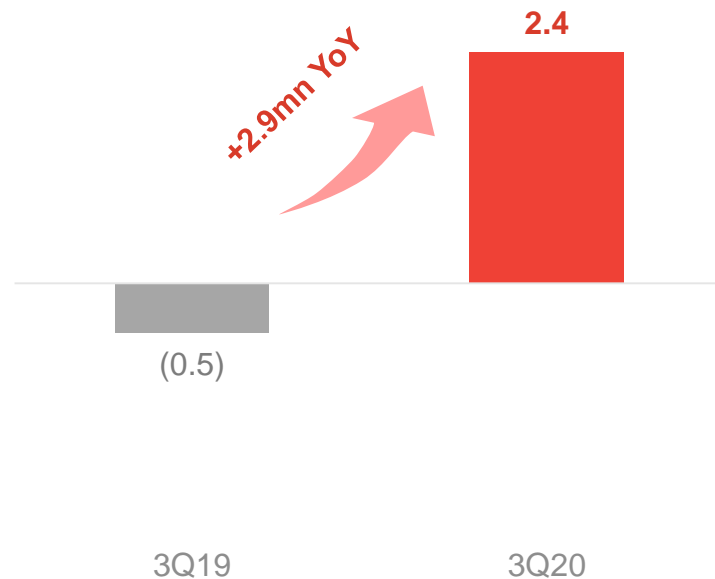
US\$ mn

Adjusted EBITDA\*



US\$ '000

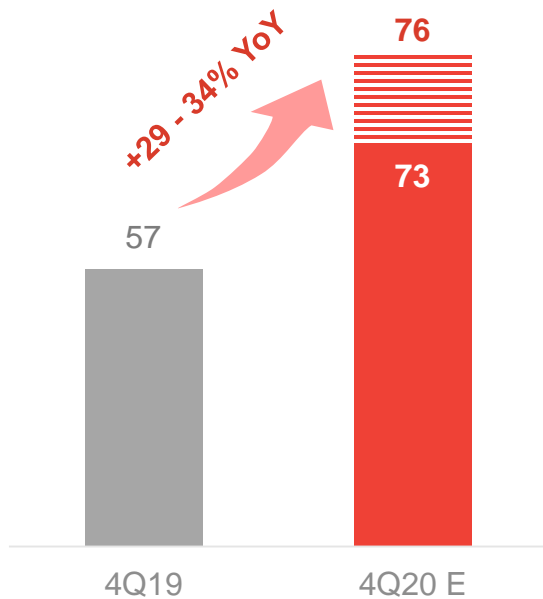
Adjusted Net Income/(Loss)\*



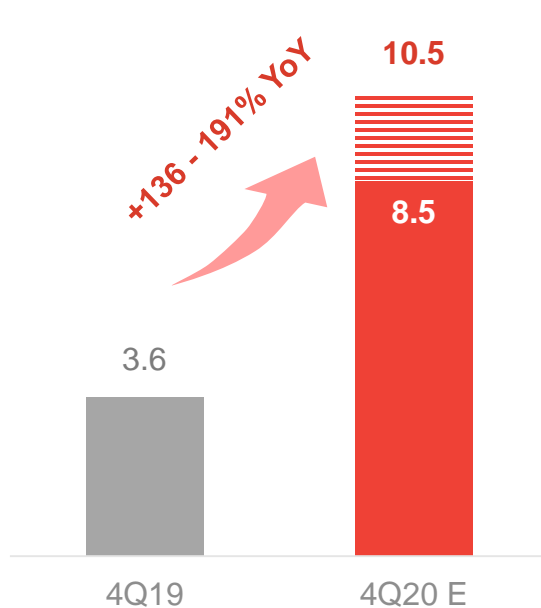
Note: \* For more details on these non-GAAP financial measures, please see the tables captioned "Unaudited Reconciliations of GAAP and non-GAAP Results" set forth at the end of this presentation.

# Guidance – Q4 2020

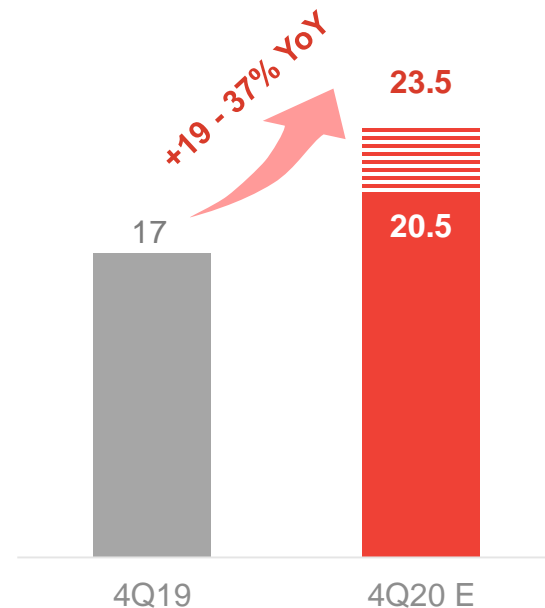
US\$ mn Revenue



Revenue of Enterprise Solutions



Gross Profit



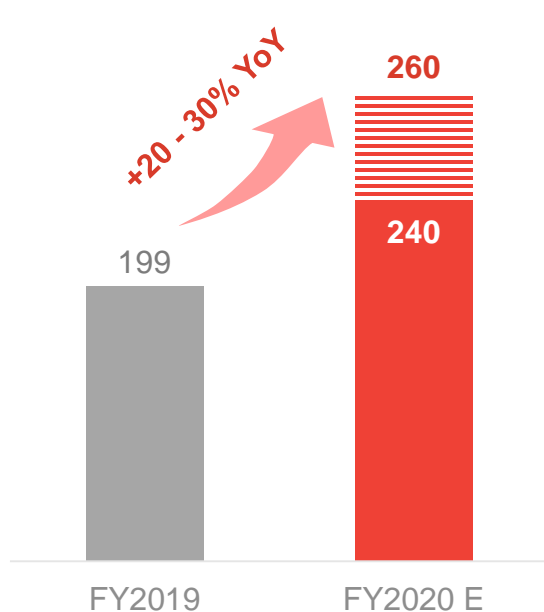
Note: Red dash portion above indicates the Company's guidance range.

# Guidance – FY2020

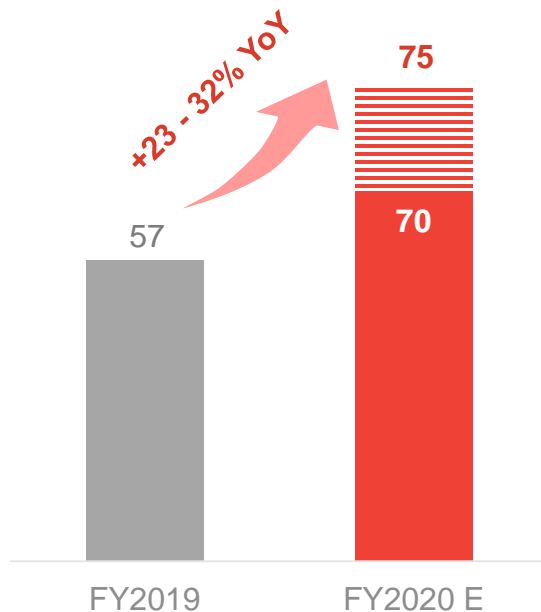
- Upward Revision to Adjusted EBITDA\* Guidance -

US\$ mn

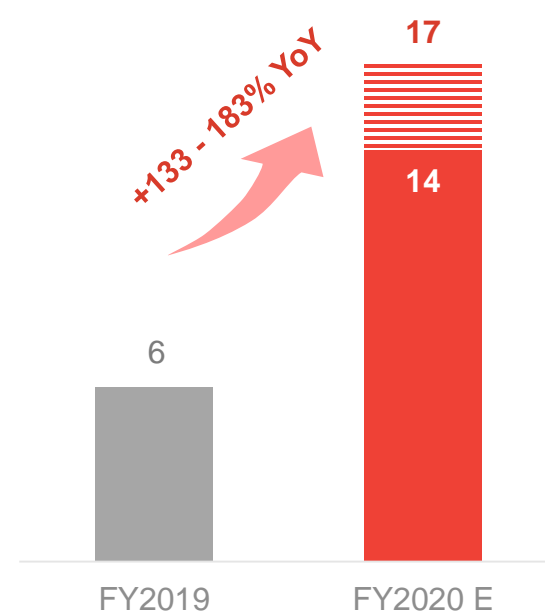
## Revenue



## Gross Profit



## Adjusted EBITDA



### Notes:

1. Red dash portion above indicates the Company's guidance range.

2. \* Adjusted EBITDA of FY2019 represents net loss before (i) depreciation and amortization, (ii) interest expense, (iii) interest income, (iv) income tax expense, (v) share-based compensation, (vi) fair value gains on convertible notes, (vii) other gains, net, (viii) convertible notes issuance cost, (ix) net loss attributable to noncontrolling interests, (x) share of losses from an equity investee, (xi) cost related to new business setup or acquisitions, and (xii) cost related to filing of Form F-3. For more details on this non-GAAP financial measure, please see the tables captioned "Unaudited Reconciliations of GAAP and non-GAAP Results" set forth at the end of this presentation.



# **BUSINESS OVERVIEW**

# About iClick Interactive

## Strong Marketing Solutions and Data Analytics Capabilities

### COVER



**>126,000**  
MOBILE APPS



**2.2Mil**  
WEBSITES

### ANALYSE



**0.9 TB**  
DATA COLLECTED  
DAILY



**940.9Mil**  
ACTIVE  
PROFILED USERS

**22** AVERAGE ATTRIBUTES  
PER PROFILE



**INTENT**



**INTEREST**



**ONLINE TRANSACTION**



**SOCIAL**



**DEMOGRAPHIC**



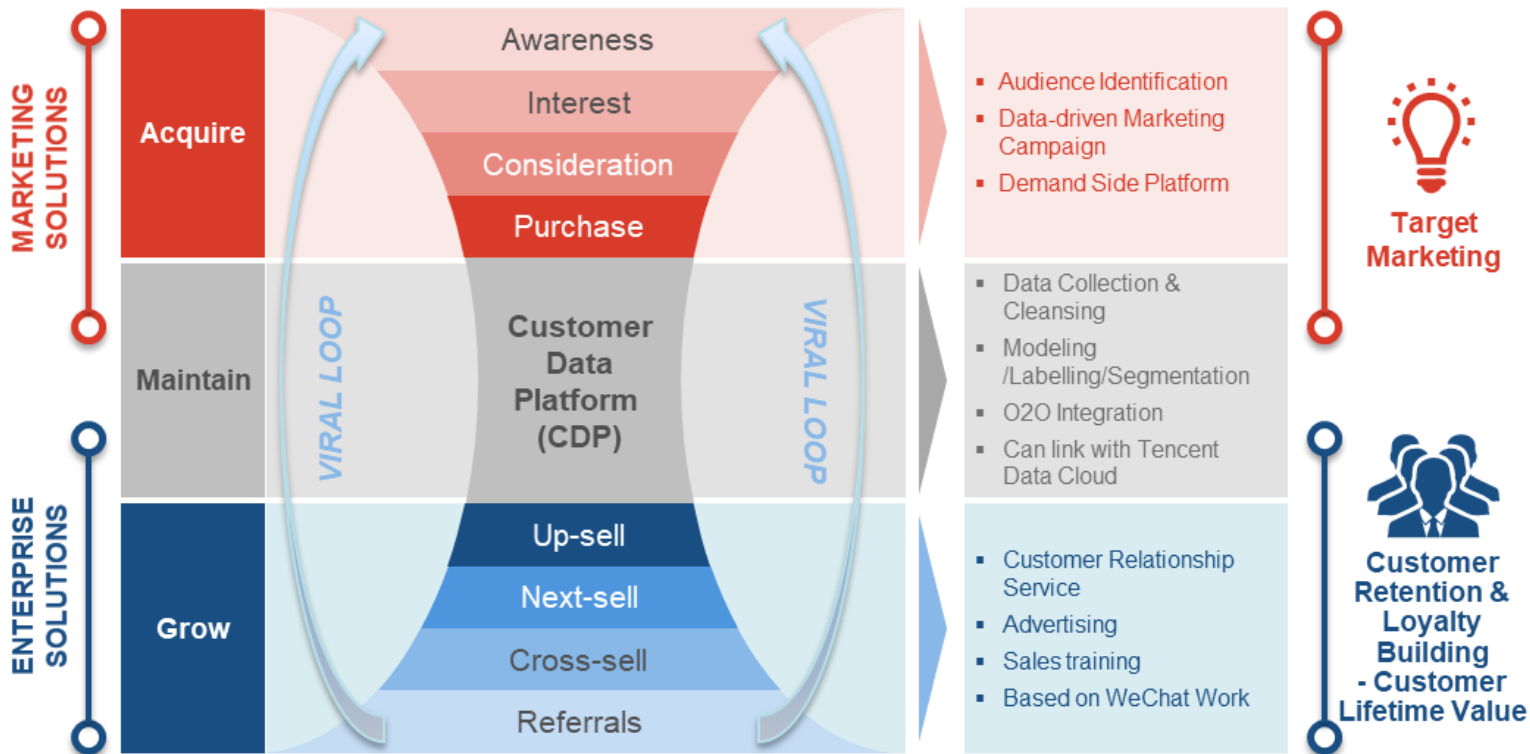
**OFFLINE PURCHASE  
BEHAVIOR**

Note: These data were for the 30 days leading up to June 30, 2020

# Growth Strategy –

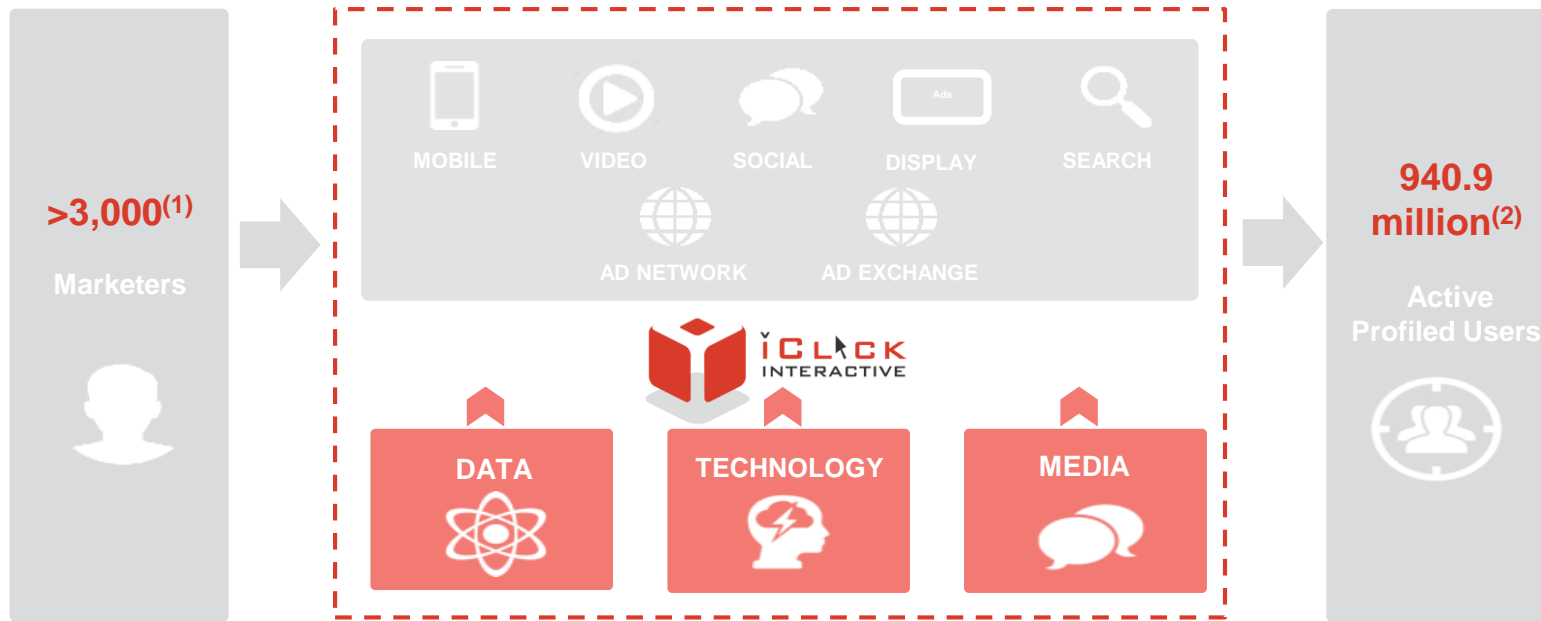
## Full-Stack Marketing and Consumer Lifecycle Solution

Transitioning to an **Integrated Enterprise** and **Marketing Cloud** Platform to unlock the full potential of smart retail (online and offline)



# Core Business – Marketing Solutions

We use **DATA** and **AI-DRIVEN TECHNOLOGY** to help brands target and acquire the **RIGHT CUSTOMERS** efficiently



We are the **LARGEST INDEPENDENT MARKETING TECHNOLOGY PLAYER** in China<sup>(3)</sup>

(1) Data for 2019

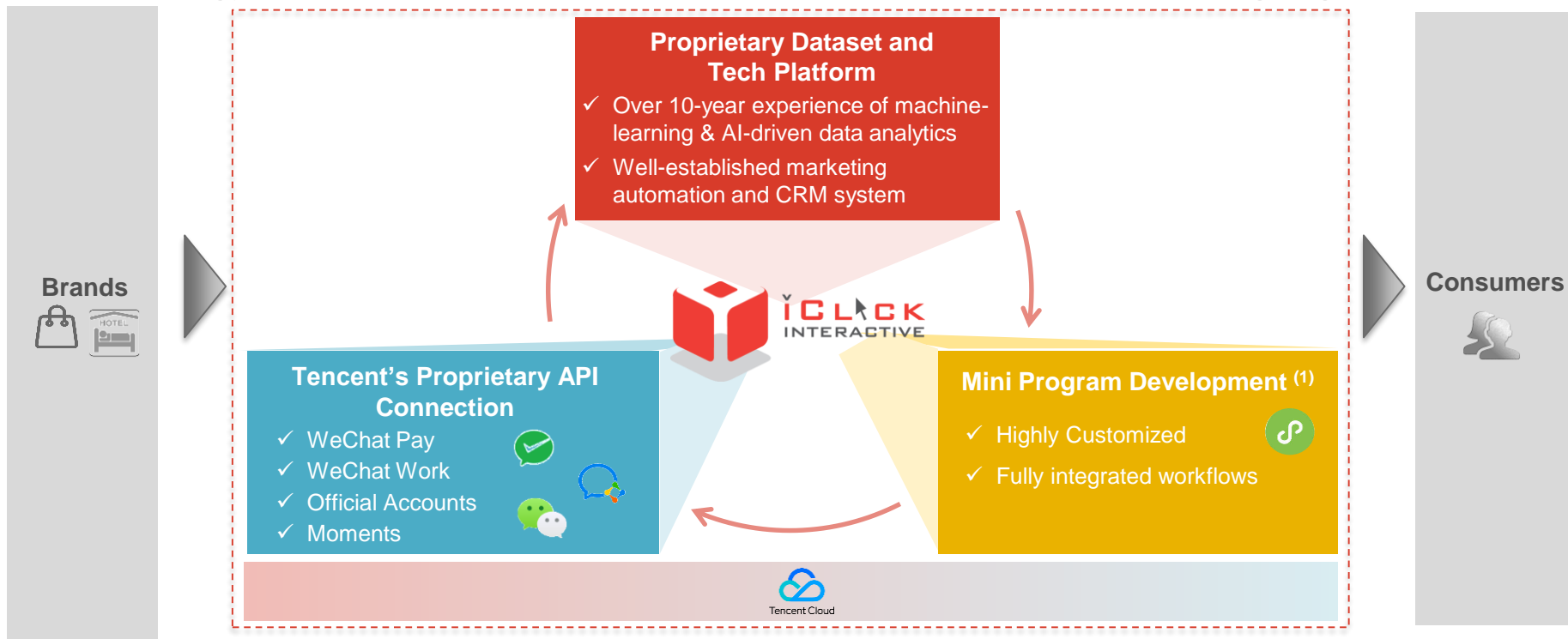
(2) Data in the 30 days leading up to June 30, 2020

(3) Based on gross billings in 2018, according to Frost & Sullivan. Independent marketing technology companies refer to online marketing technology companies that do not own, or are not part of any group which owns, any online publishing resources



# New Business Line – Enterprise Solutions (SaaS-based)

Our strategic partnership with Tencent to offer **fully-integrated data-driven and smart Enterprise Solutions**, which enable brands to manage their consumers more efficiently, increase repurchase rate and enhance the consumers' loyalty.



(1) WeChat mini-programs are "sub-applications" within the WeChat ecosystem which provide advanced features to users such as e-commerce, task management, coupons.



# APPENDIX

# Unaudited Reconciliations of GAAP and non-GAAP Results

## Reconciliation of Adjusted EBITDA<sup>1</sup> from Net (Loss)/Income

(US\$'000, unaudited)	Three Months Ended September 30,		Nine Months Ended September 30,		Year Ended December 31,
	2020	2019	2020	2019	2019
<b>Net (loss)/income</b>	<b>(7,097)</b>	<b>863</b>	<b>(15,546)</b>	<b>(4,850)</b>	<b>(10,849)</b>
Add/(less):					
Depreciation and amortization	1,220	1,637	4,707	5,015	6,656
Interest expense	772	476	1,787	1,013	1,915
Interest income	(742)	(110)	(1,104)	(324)	(537)
Income tax expense/(benefit)	1,027	(40)	1,347	(13)	47
<b>EBITDA</b>	<b>(4,820)</b>	<b>2,826</b>	<b>(8,809)</b>	<b>841</b>	<b>(2,768)</b>
Add/(less):					
Share-based compensation	1,612	431	3,879	1,657	2,115
Fair value losses on derivative liabilities	6,343	—	11,466	—	—
Fair value losses/(gains) on convertible notes	1,426	(2,938)	4,433	(946)	(133)
Other gains, net <sup>2,8</sup>	(849)	(265)	(1,022)	(803)	(1,501)
Convertible notes issuance cost <sup>3</sup>	—	—	44	—	4,556
Net loss attributable to noncontrolling interests <sup>4</sup>	545	550	1,642	987	1,246
Share of losses from an equity investee <sup>5</sup>	16	217	85	231	408
Cost related to new business setup or acquisitions <sup>6</sup>	—	352	63	749	1,047
Cost related to filing of Form F-3 <sup>7</sup>	428	273	428	782	1,035
<b>Adjusted EBITDA<sup>8</sup></b>	<b>4,701</b>	<b>1,446</b>	<b>12,209</b>	<b>3,498</b>	<b>6,005</b>

### Notes:

- Adjusted EBITDA represents net (loss)/income before (i) depreciation and amortization, (ii) interest expense, (iii) interest income, (iv) income tax expense/(benefit), (v) share-based compensation, (vi) fair value losses on derivative liabilities, (vii) fair value (losses)/gain on convertible notes, (viii) other gains, net, (ix) convertible notes issuance cost, (x) net loss attributable to noncontrolling interests, (xi) share of losses from an equity investee, (xii) cost related to new business setup or acquisitions, and (xiii) cost related to filing of Form F-3.
- Other gains, net, have been adjusted out, except for amounts of US\$803 thousand, US\$494 thousand, US\$2,018 thousand, US\$1,168 thousand and US\$1,491 thousand in relation to government grants for the three months ended September 30, 2020 and 2019 and for the nine months ended September 30, 2020 and 2019 and for the year ended December 31, 2019, respectively.
- Convertible notes issuance cost represents legal and professional fee for the issue of convertible notes.
- Net loss attributable to noncontrolling interests has been adjusted back because the Company's management regularly reviews EBITDA excluding noncontrolling interests as a measure of its operational performance.
- Share of losses from an equity investee represents share of losses incurred by the Company's Thailand business operated through an equity investee over which the Company has significant influence, and which is not considered to be a part of the core business that the Company operates through its consolidated entities.
- Cost related to new business setup or acquisition represents transaction cost for setting up Thailand business and other acquisitions, including audit, legal and professional fee in connection therewith.
- Cost related to the filing of Form F-3 represents audit, legal and professional fees.
- The comparative figures for the three months ended September 30, 2019 and nine months ended September 30, 2019 were restated to conform to the presentation of the figures for the same periods of 2020. Adjusted EBITDA for FY2019 was also restated in accordance with the same basis of presentation.

# Unaudited Reconciliations of GAAP and non-GAAP Results

## Reconciliation of Adjusted Net Income/(Loss)<sup>1</sup> from Net (Loss)/Income

(US\$'000, except share data and per share data, or otherwise noted, unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
<b>Net (loss)/income</b>	<b>(7,097)</b>	<b>863</b>	<b>(15,546)</b>	<b>(4,850)</b>
Add/(less):				
Share-based compensation	1,612	431	3,879	1,657
Fair value losses on derivative liabilities	6,343	—	11,466	—
Fair value losses/(gain) on convertible notes	1,426	(2,938)	4,433	(946)
Other gains, net <sup>2,8</sup>	(849)	(265)	(1,022)	(803)
Convertible notes issuance cost <sup>3</sup>	—	—	44	—
Net loss attributable to noncontrolling interests <sup>4</sup>	545	550	1,642	987
Share of losses from an equity investee <sup>5</sup>	16	217	85	231
Cost related to new business setup or acquisitions <sup>6</sup>	—	352	63	749
Cost related to filing of Form F-3 <sup>7</sup>	428	273	428	782
<b>Adjusted net income/(loss)<sup>8</sup></b>	<b>2,424</b>	<b>(517)</b>	<b>5,472</b>	<b>(2,193)</b>
Net (loss)/income:	(7,097)	863	(15,546)	(4,850)
Add: Non-GAAP adjustments to net (loss)/income <sup>8</sup>	9,521	(1,380)	21,018	2,657
Adjusted net income/(loss) <sup>8</sup>	2,424	(517)	5,472	(2,193)
Denominator for net (loss)/income per ADS - Weighted average ADS outstanding	83,847,077	67,184,218	74,377,252	65,915,823
Denominator for diluted adjusted net income/(loss) per ADS - Weighted average ADS outstanding	90,085,165	67,184,218	80,615,340	65,915,823
Diluted net (loss)/income per ADS	(0.08)	0.01	(0.21)	(0.07)
Add: Non-GAAP adjustments to net (loss)/income per ADS	0.11	(0.02)	0.28	0.04
Diluted adjusted net income/(loss) per ADS	0.03	(0.01)	0.07	(0.03)

### Notes:

- Adjusted net income/(loss) represents net (loss)/income before (i) share-based compensation, (ii) fair value losses on derivative liabilities, (iii) fair value losses/(gain) on convertible notes, (iv) other gains, net, (v) convertible notes issuance cost, (vi) net loss attributable to noncontrolling interests, (vii) share of losses from an equity investee, (viii) cost related to new business setup or acquisitions, and (ix) cost related to filing of Form F-3. There is no material tax effects on these non-GAAP adjustments.
- Other gains, net, have been adjusted out, except for amounts of US\$803 thousand, US\$494 thousand, US\$2,018 thousand, and US\$1,168 thousand in relation to government grants for the three months ended September 30, 2020 and 2019 and for the nine months ended September 30, 2020 and 2019, respectively.
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