



Investor Presentation

January 2025

(USD)

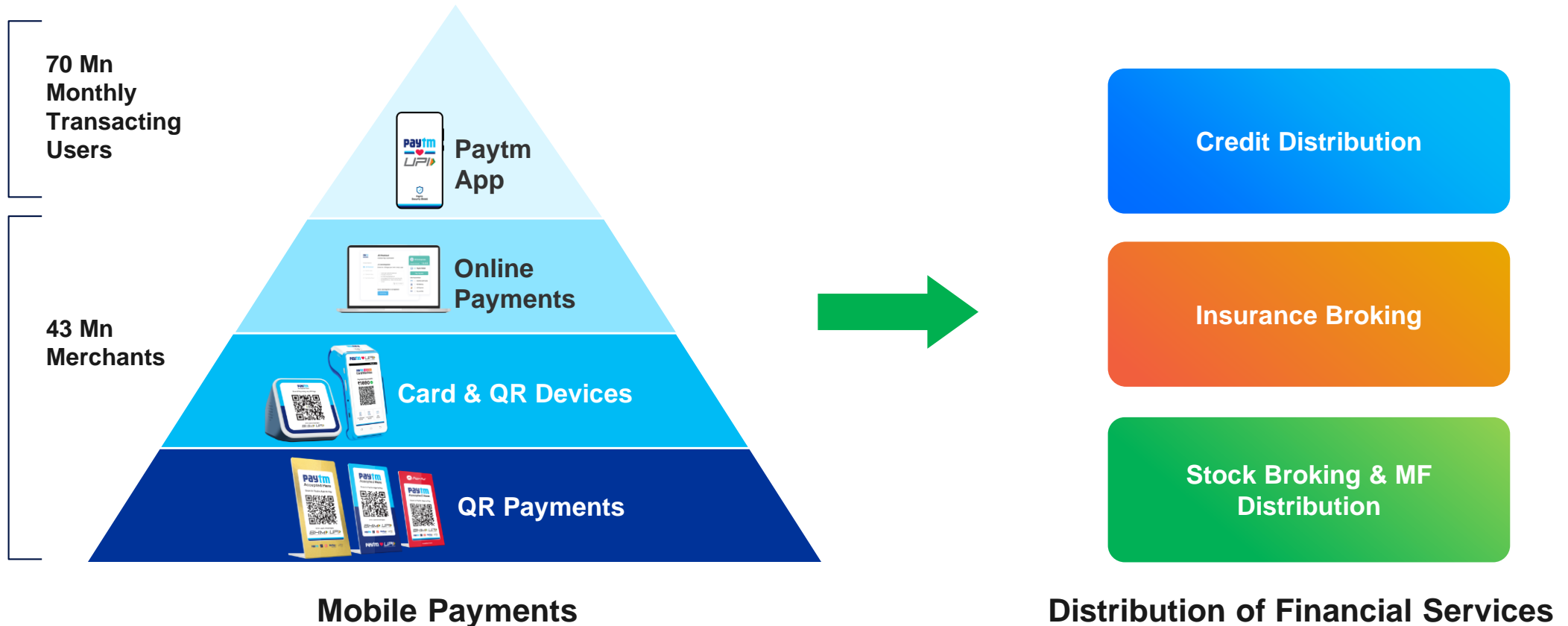




To bring Half-a-Billion Indians to the Mainstream Economy through Technology-led Financial Services



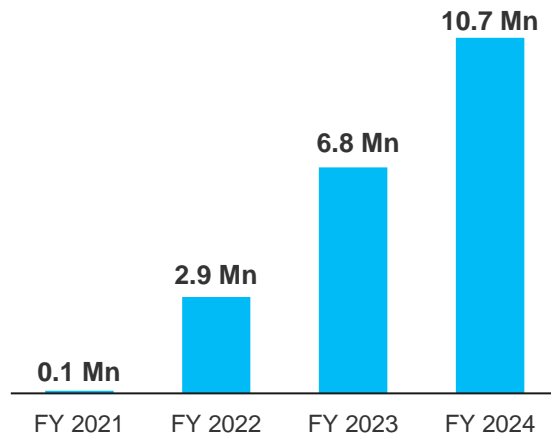
We enable mobile payments for consumers and merchants – online and offline, small and large – and distribute financial services to them



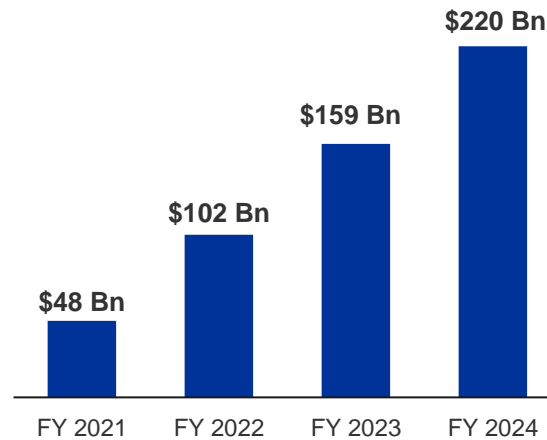
We leverage our homegrown AI platform to serve India's large underserved market



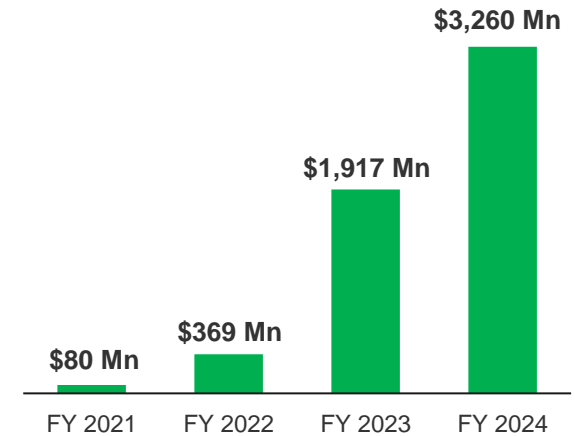
of Subscription Paying Merchants



Annual Gross Merchandise Value of Merchant Payments



Loans* Distributed Through Our Platform

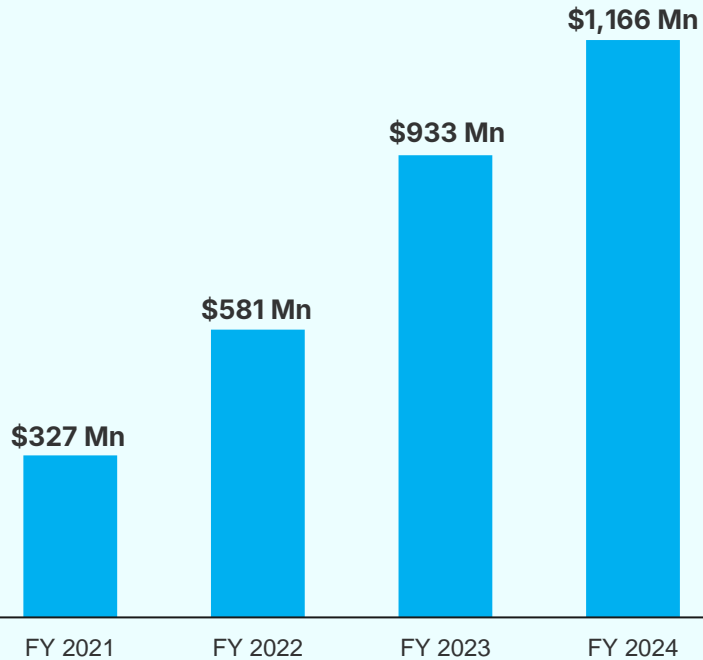


* Includes Personal and Merchant Loans only

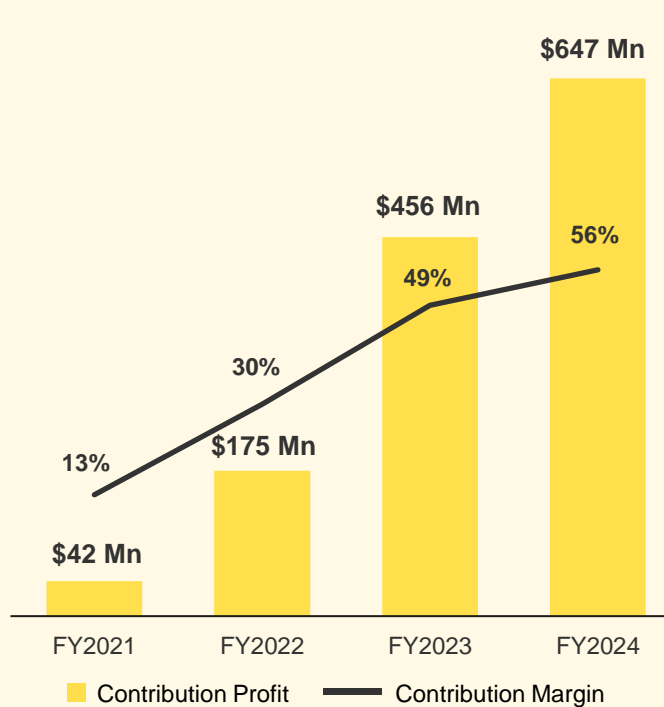
We have demonstrated strong growth in revenues and consistent improvement in profitability



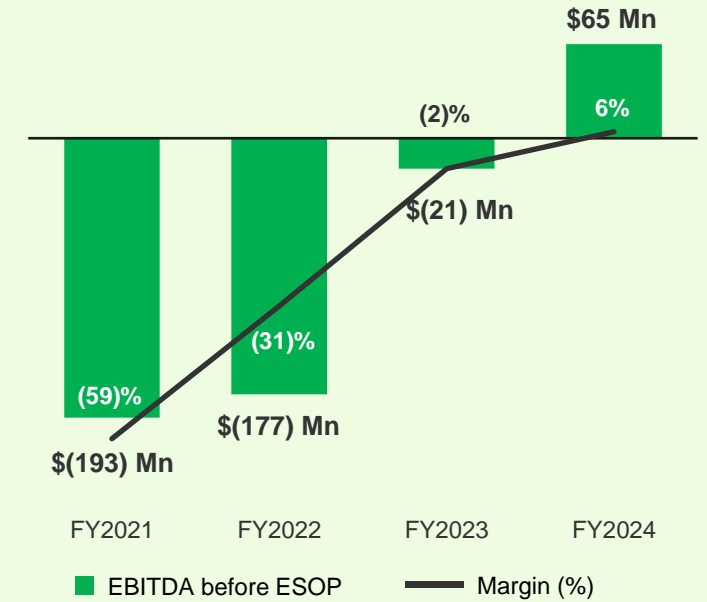
Operating Revenue



Contribution Profit



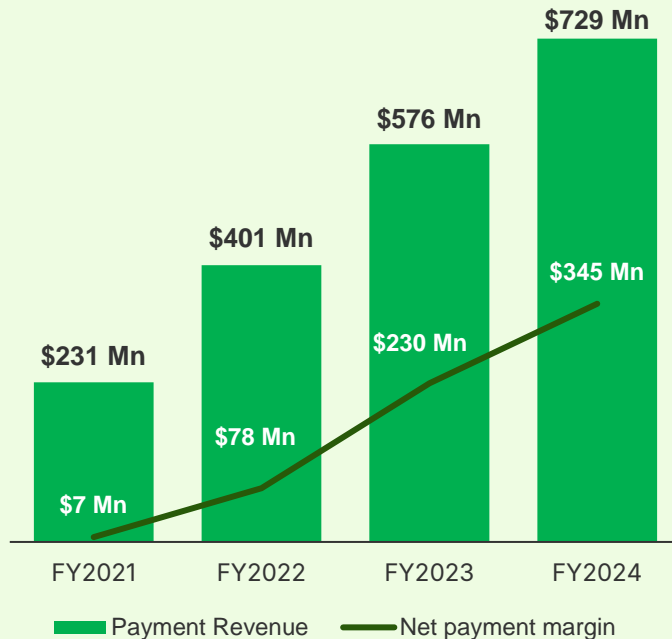
EBITDA Before ESOP and Margin



Payment Services: We make money on Payment Processing and Merchant Device Subscription



Net Payment Margin



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Payment Processing Margin

Payment Processing Margin = Gross fees charged to the merchant – Payment processing charges

- We make 5-6bps payment processing margin on GMV, including UPI incentive; Excluding UPI incentive, we make more than 3bps
- On UPI GMV, we make 2 to 3 bps and on non-UPI GMV*, we make 15 to 18 bps
- Improvements in payment processing margin of non-UPI instruments resulted in growth in net payment margin

* Non-UPI GMV includes Credit cards, debit cards, EMI, net banking and other instruments

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Merchant Subscription Revenue

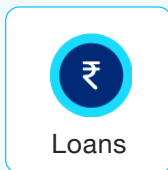
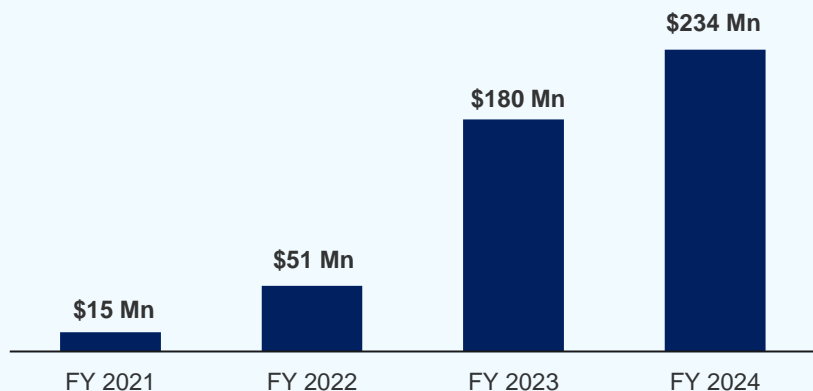
- We pioneered Soundbox, a device for voice confirmation for payments, resulting in dominant position in merchant acquiring
- Continue to address merchants' needs through innovative product launches, supported by a large distribution and service network
- Merchant pays monthly rental for various services, primarily for devices
- Potential market of 100mn merchants in India; large subset of this might be using devices

Financial Services: Driving monetization by distribution of Loans, Wealth products and Insurance



Low penetration across products offer large growth runway

Financial Service Revenue



Loans



Equity



Insurance

Loan Distribution

- We help various lenders disburse loans to Paytm's consumers & merchants
- Our lending partners provide the balance sheet and underwrite loans
- We earn sourcing fee on the loans distributed and collection incentives where we help the lenders in collecting the loans
- In line with current regulatory framework and industry practice, we offer Default Loss Guarantee (DLG) to lenders

Merchant Loans:

- Working capital loans with daily repayment offered to device merchants
- Over 50% of the customers are repeat customers

Personal Loans:

- Instant personal loans with the best customer experience

Other Financial Services

- We offer equity broking, and distribute insurance and mutual funds

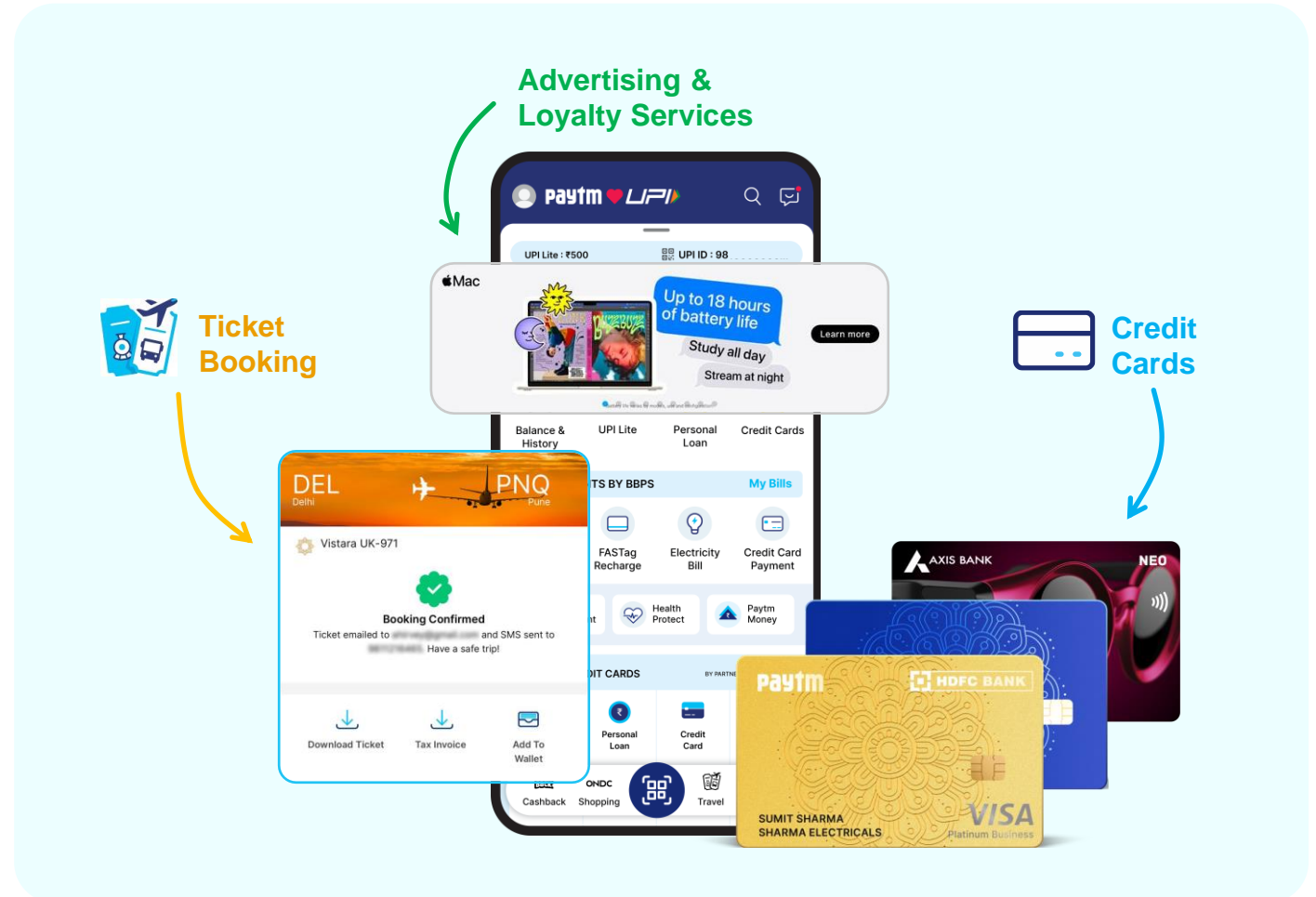
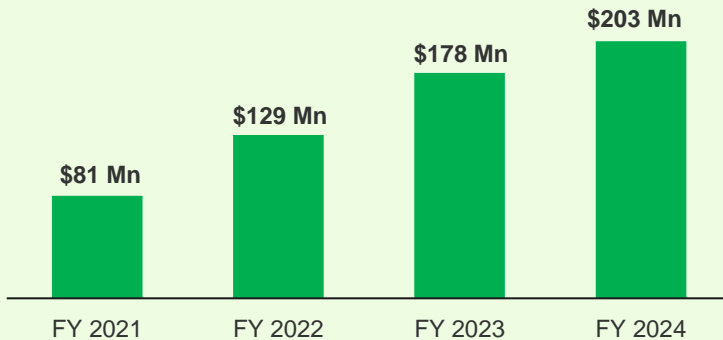
Marketing Services: Additional monetization by driving app traffic to the merchants



Paytm app is a destination for our merchants to get more business from our consumers

- We help merchants sell their tickets, deals and gift vouchers etc.
- We offer advertising, marketing loyalty services to various enterprises and distribute credit cards for our partners
- Revenue from Marketing Services is driven by the number of app consumers availing these services

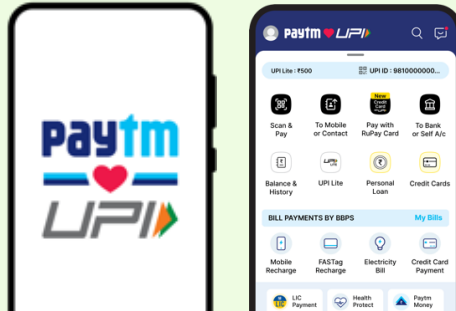
Marketing Service Revenue



Compliance First: Stringent focus on a compliance-first approach across our businesses

Customer acquisition

Drive growth in consumer base by innovative products, & disciplined marketing investments



Merchant payment innovations

Continue to be a market leader with merchant payment innovations, including new devices & aggregation of various MDR-bearing payment instruments



Financial Services Distribution

Increase high margin financial services revenue by increasing penetration of financial services distribution



Leverage AI to improve efficiency:
Continued automation of various operations to improve efficiency

Annexure

Expected ESOP charges based on currently issued ESOPs

Expected ESOP Cost (\$ Mn)	Q1	Q2	Q3	Q4
FY 2025	29*	25*	21*	24
FY 2026	21	20	12	11
FY 2027	11	10	3	3

As of January 17, 2025	(in Mn)
Basic shares outstanding	637
ESOPs vested and unexercised	2
ESOPs granted and unvested	33
ESOPs available for distribution	7
Estimated fully diluted shares	679

* Actual ESOP costs for the quarter

Note:

- The above table illustrates expected ESOP cost for all unvested ESOPs granted so far, as of January 17, 2025.
- The cost assumes all granted ESOPs will vest and no new ESOPs will be granted. For any lapses of unvested ESOPs, normally on attrition, the cost of unvested ESOP recorded so far is reversed in that quarter. Actual charges might be different based on incremental issuances as well as lapses.
- For new ESOP grants, the total estimated charge would be the number of options granted times the fair value per Option, which is based on the share price on the day of the grant, among other factors.
- Movements of share price after the date of the grant do not affect the ESOP charge for already granted ESOPs.
- The charge is front-ended with approximately 38% in Year 1, 28% in Year 2, 18% in Year 3, 11% in Year 4 and 5% in Year 5.

Operating Revenue



(in \$ Mn)	Quarter Ended			Change		Nine Month Ended		
	Dec-24 (Unaudited)	Sep-24 (Unaudited)	Dec-23 (Unaudited)	YoY	QoQ	Dec-24 (Unaudited)	Dec-23 (Unaudited)	YoY
Payments & Financial Services	176	154	267	(34)%	14%	466	733	(36)%
Payment Services	117	110	196	(40)%	6%	331	534	(38)%
Financial Services and Others	59	44	71	(17)%	34%	135	199	(32)%
Marketing Services	31	35	60	(48)%	(12)%	104	157	(34)%
Other Operating Revenue	7	4	6	10%	56%	13	11	15%
Revenue from Operations	214	194	333	(36)%	10%	583	901	(35)%

Contribution Profit and Contribution Margin



(in \$ Mn)	Quarter Ended			Change		Nine Month Ended		
	Dec-24 (Unaudited)	Sep-24 (Unaudited)	Dec-23 (Unaudited)	YoY	QoQ	Dec-24 (Unaudited)	Dec-23 (Unaudited)	YoY
Revenue from Operations	214	194	333	(36)%	10%	583	901	(35)%
Payment processing charges	67	60	115	(42)%	10%	187	300	(37)%
As % of GMV	0.11%	0.12%	0.19%	(8) bps	0 bps	0.12%	0.19%	(7) bps
Promotional cashback & incentives	4	3	12	(65)%	28%	13	31	(58)%
Other Expenses	31	26	28	8%	19%	78	74	6%
Total Direct Expenses	102	89	155	(35)%	13%	278	404	(31)%
Contribution Profit	112	104	178	(37)%	7%	305	496	(39)%
Contribution Margin %	52%	54%	53%	(85) bps	(140) bps	52%	55%	(272) bps

EBITDA before ESOP



(in \$ Mn)	Quarter Ended			Change		Nine Month Ended		
	Dec-24 (Unaudited)	Sep-24 (Unaudited)	Dec-23 (Unaudited)	YoY	QoQ	Dec-24 (Unaudited)	Dec-23 (Unaudited)	YoY
Contribution Profit	112	104	178	(37)%	7%	305	496	(39)%
Contribution Margin %	52%	54%	53%	(85) bps	(140) Bps	52%	55%	(272) bps
Marketing cost	12	15	20	(38)%	(17)%	47	62	(23)%
Employee cost (excl ESOPs)	67	72	94	(29)%	(6)%	221	274	(19)%
Software, cloud and data center	18	18	20	(9)%	(3)%	58	56	3%
Other indirect expenses	20	21	18	9%	(9)%	68	51	33%
Total indirect expenses	117	126	152	(23)%	(7)%	395	443	(11)%
EBITDA before ESOP cost	(5)	(22)	26	(119)%	(78)%	(90)	53	(269)%
EBITDA before ESOP cost Margin %	(2)%	(11)%	8%	(992) bps	897 bps	(15)%	6%	(2,139) bps

Reconciliation of Non-GAAP Measures

EBITDA before ESOP cost

(in \$ Mn)	Quarter Ended			Nine Month Ended	
	Dec-24 (Unaudited)	Sep-24 (Unaudited)	Dec-23 (Unaudited)	Dec-24 (Unaudited)	Dec-23 (Unaudited)
EBITDA before share based payment expenses (A)	(5)	(22)	26	(90)	53
Share based payment expenses (B)	21	25	44	76	133
Finance costs (C)	0	0	1	1	2
Depreciation and amortization expense (D)	19	21	23	61	63
Other income (E)	(22)	(20)	(17)	(59)	(48)
Share of profit / (loss) of associates /joint ventures (F)	0	(1)	0	(0)	2
Exceptional items (G)	0	(157)	0	(157)	1
Income Tax expense (H)	1	1	0	2	2
Profit / (Loss) for the period/year (J=sum of A to H)	(24)	109	(26)	(14)	(102)

Operational KPIs



	Units	Quarter Ended			Change	
		Dec-24 (Unaudited)	Sep-24 (Unaudited)	Dec-23 (Unaudited)	QoQ	YoY
Registered Merchants (end of period)	Mn	43	42	39	2%	10%
Payment Devices (cumulative; end of period)	Mn	11.7	11.2	10.6	4%	10%
GMV	\$Bn	58.9	52.2	59.6	13%	(1)%
GMV (Continued Business)*	\$Bn	58.9	52.2	51.4	13%	14%
Merchant Transactions	Bn	11.1	9.9	10.0	12%	11%
Total Transactions	Bn	12.3	11.1	11.9	11%	4%
Average Number of Sales Employees	#	32,019	30,104	40,028	6%	(20)%
Cost of Sales Employees (including training)	\$Mn	27	27	31	()%	(15)%
MTU (average over the period)	Mn	70	71	100	(1)%	(30)%
Key financial services customers	Mn	0.6	0.6	0.8	(2)%	(27)%
Value of personal and merchant loans distributed**	\$Mn	652	617	939	6%	(31)%

*Continued business excludes disrupted products such as Wallet, Postpaid etc.

**As communicated in Q2 FY 2025 earnings release, key financial services customers will be the relevant metrics for tracking financial services and accordingly disclosure on value of loans disbursed will be discontinued after Q4 FY 2025

Breakup of available Cash and investable balance (Net Cash Balances)

Particulars (in \$ Mn)	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Cash and Bank Balances in Current Accounts (Net of Borrowings)	219	464	272	263	233
Deposits with banks	519	272	407	423	817
Current Investments (Mutual Funds and Commercial Papers)	302	274	289	530	484
Total Balances	1,040	1,011	1,000	1,216	1,535
Paytm Money Ltd (PML) customer funds	54	40	52	48	34
Total Balances (excluding PML funds)	986	971	947	1,168	1,501

Definitions for Metrics & Key Performance Indicators



Metric	Definition
GMV	GMV is the rupee value of total payments made to merchants through transactions on our app, through Paytm Payment Instruments or through our payment solutions, over a period. It excludes any consumer-to-consumer payment service such as money transfers.
Monthly Transacting User (MTU)	Number of unique users in a particular calendar month who have successfully completed a transaction on the Paytm App or have used the Paytm for Business App
Contribution Profit	Contribution profit is a non-GAAP financial measure. We define Contribution profit as revenue from operations less payment processing charges, promotional cashback & incentives expenses, connectivity & content fees, contest, ticketing & FASTag expenses & logistic, deployment & collection cost of our businesses.
Net Payments Margin	Payments revenues (including other operating revenue) less payments processing charges
EBITDA before ESOP cost	EBITDA before ESOP cost is a Non-GAAP financial measure. We define EBITDA before ESOP cost as our profit for the period, before depreciation & amortization expense, income tax expense, share based payment expense, finance costs, other income, loss for the period from discontinued operations, exceptional items, IPO expenses & share of profit/(loss) of associates/joint ventures.

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Use of Operating Metrics

The operating metrics reported in this Presentation are calculated using internal Company data based on the activity of our merchants, consumers and other participants in our ecosystem. While these numbers are based on what we believe to be reasonable estimates of engagement, for the applicable period of measurement, there are inherent challenges in measuring usage across our large online, offline, in-store and mobile presence. The methodologies used to measure these metrics require significant judgment and are also susceptible to algorithm or other technical errors. We regularly review our processes for calculating these metrics, and from time to time we may discover inaccuracies in our metrics or may make adjustments to improve their accuracy, which can result in adjustments to previously disclosed metrics. In addition, our metrics will differ from estimates published by third parties due to differences in methodology.

We have converted financial amounts from ₹ Cr into \$ Mn and hence there could be some totaling anomalies in the numbers. Numbers shown in USD are purely for illustrative and convenience purposes and calculated using an exchange rate of \$1 = INR 85.6 (as of Dec'24 end)