



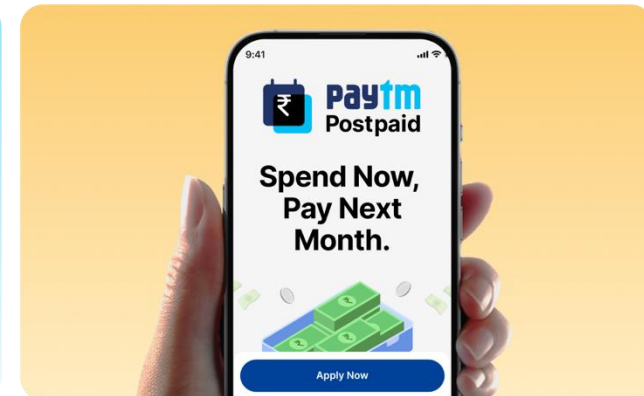
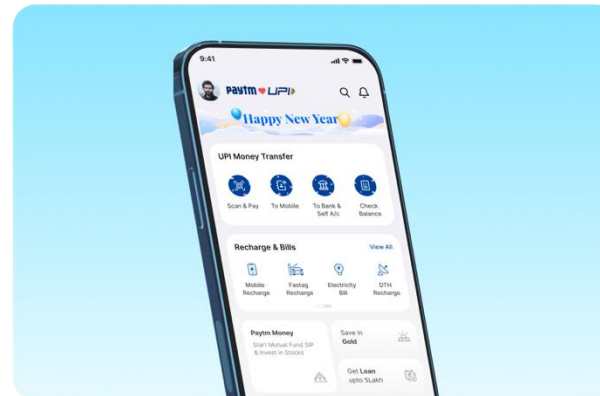
# Investor Presentation

For the quarter ending December 2025

USD

paytm ♥ Ai ✨

Powered by Ai for financial inclusion of India



**Paytm Proprietary Ai ✨ System:** Globally Recognised as #1 on Spider 2.0 Snow Leaderboard



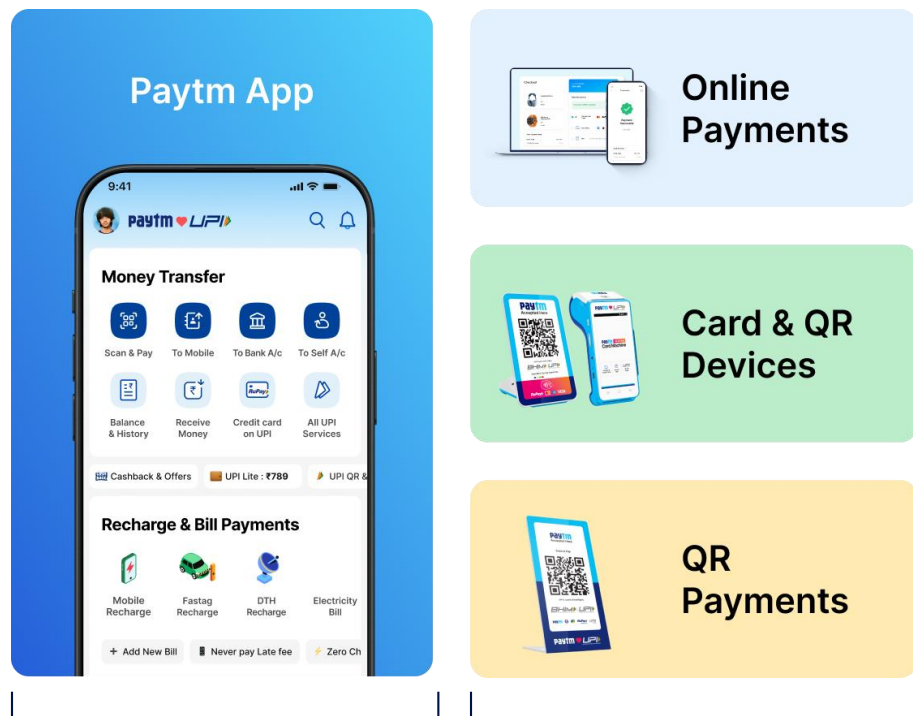
# To bring Half-a-Billion Indians to the Mainstream Economy through Technology-led Financial Services



# Our Core Business is to acquire consumers and merchants through payments and distribute financial services to them



## Payments Services



76 Mn Monthly Transacting Users

48 Mn Merchants

## Distribution of Financial Services



Loan Distribution

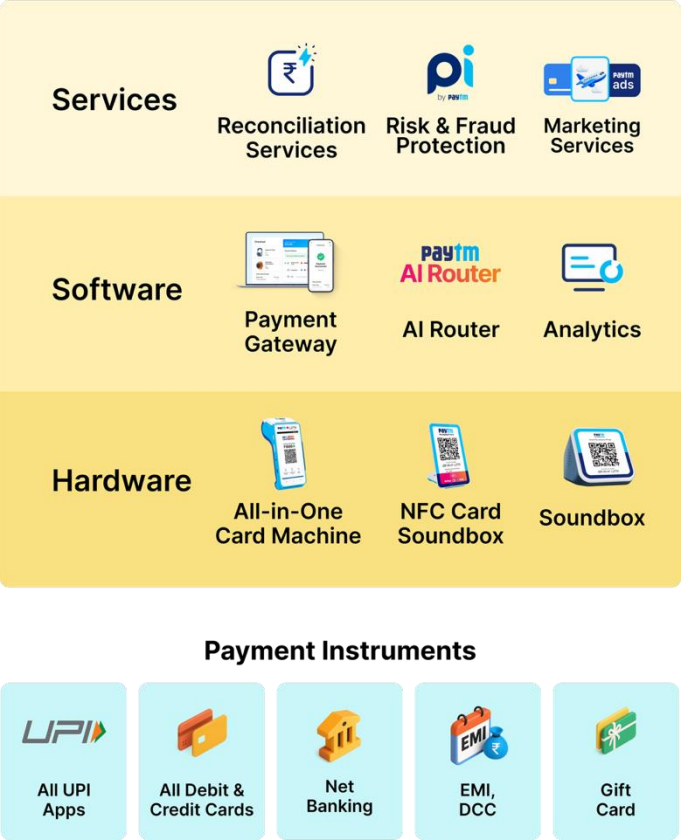
Stock Broking & MF Distribution

Insurance Broking

# Paytm is India's Full Stack Merchant Payment Leader serving MSMEs and Enterprise Payment Merchants



## Offers AI-powered Full Technology Stack



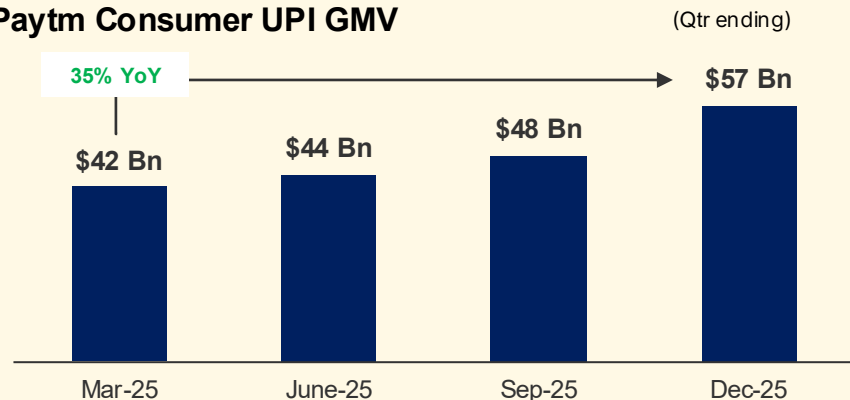
## Across Enterprise Merchants and MSMEs



# Driving Consumer Payments through AI-first, Product-led Innovation



## Paytm Consumer UPI GMV



Paytm beats Industry growth of 16% in the same time period

Source: NPCI

## Gain in Consumer UPI Market Share for 3 consecutive quarters

- Our AI-first, product led strategy helped us grow more than twice the industry growth
- Building on this momentum, we have prudently invested in promotional expense to boost consumer retention and market share gain
- Focused on maximising lifetime value through additional monetisation levers such as Wealth products, Paytm Travel, Consumer Loans and Advertising

## Consumer Monetisation Levers





# Driving Growth and Efficiency through Embedded AI Capabilities



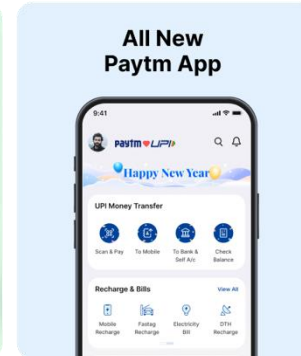
## Merchant Onboarding

AI led quality checks for onboarding and profile updates, driving growth of high quality merchants



## Fraud Prevention

Real-time AI fraud and risk detection engine



## Customer Delight

End-to-end resolution of customer queries through 24x7, multi-lingual conversational AI agents



## Improved Marketing Stack

Sharper audience targeting and segmentation, reducing customer acquisition cost and improve ROI



## Enhanced Cross - Sell

Drive insights via "Paytm ARMS" platform, optimising conversions



## Improved Collection Performance

Predict merchant churn and delinquency for segment-specific interventions, leading to improved collection bonuses

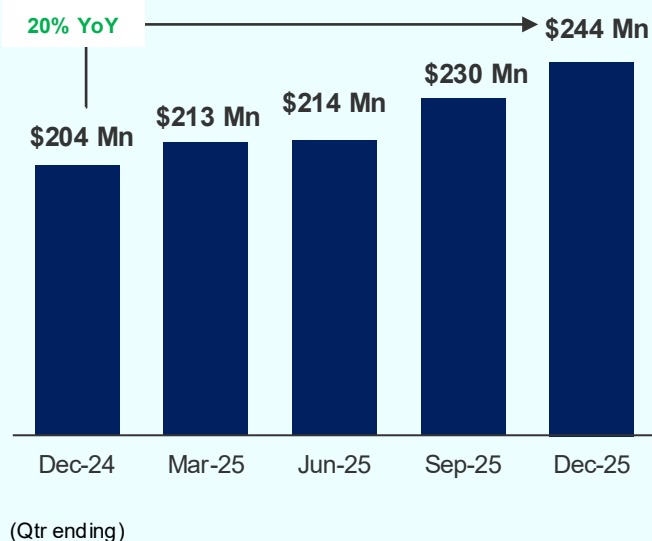


# Revenue grew to \$244 Mn (▲ 20% YoY); EBITDA improved to \$17 Mn (EBITDA margin of 7%)

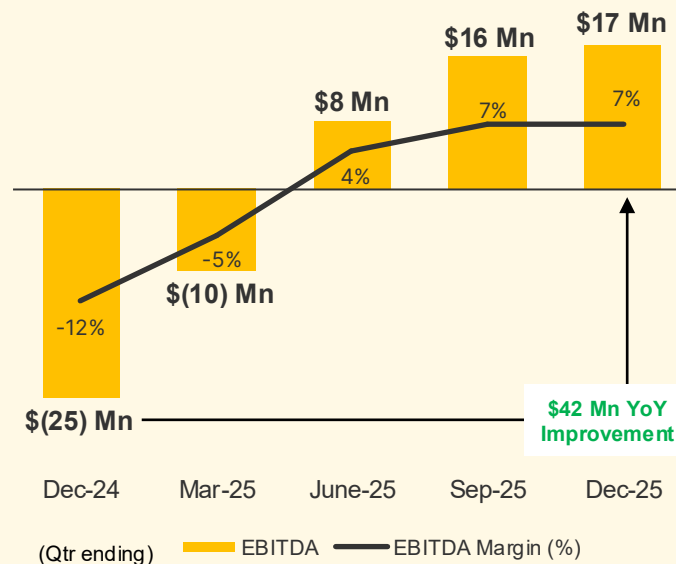


## Expanding Profitability while gaining market share in both merchant and consumer payments

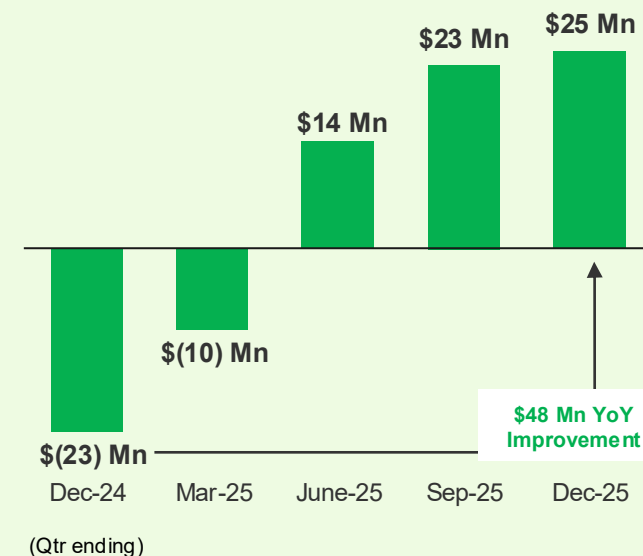
### Revenue Growth Momentum Continues



### Continued Increase in EBITDA



### Profit After Tax



For like-to-like comparison, one-time exceptional items have been excluded as stated below:

1. Quarter ending Mar-25: Revenue, EBITDA and PAT excludes UPI Incentive of \$8 Mn. PAT excludes exceptional charge of \$58 Mn towards acceleration of ESOP expense and other impairments
2. Quarter ending Sep-25: PAT excludes one-time charge for full impairment of \$21 Mn loan to our JV, First Games Technology Private Limited

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

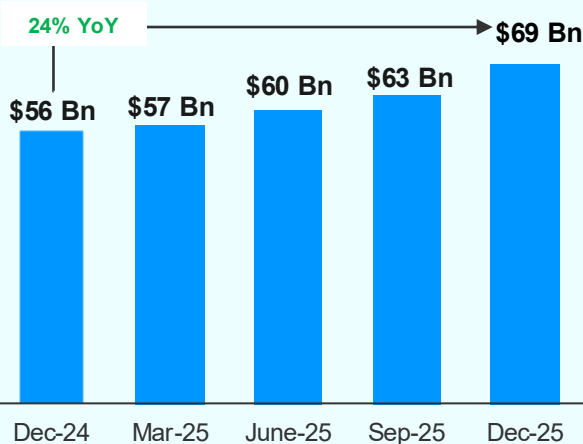


## Payment Processing Revenue

Gross fees charged to the merchant – Payment processing charges

- We earn over 4 bps on overall GMV; out of which we make 15–18 bps on Non-UPI GMV
- Improvements in margin were led by margin growth in MDR bearing instruments

### Gross Merchandise Volume (Qtr ending)



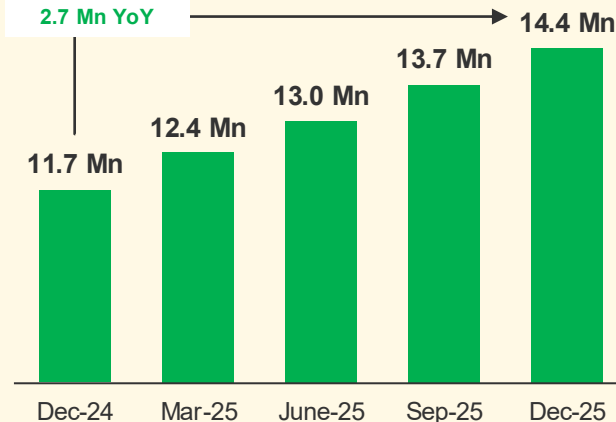
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## Subscription Revenue

Charges merchant pays for various monthly services, including devices

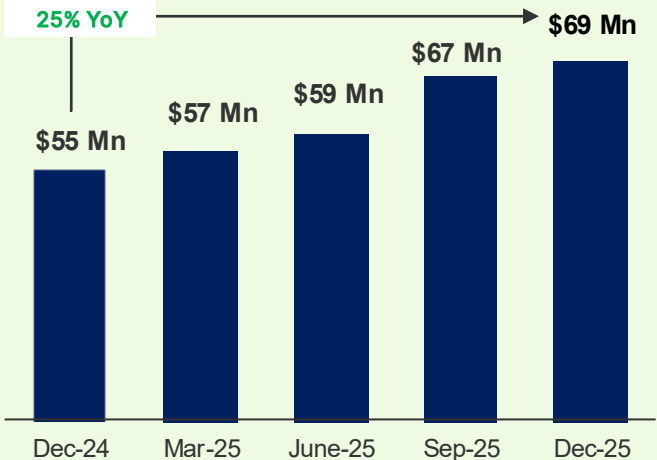
- We pioneered Soundbox, and continue to innovate to address merchants' needs
- Potential market of 10 Cr merchants; we expect 40-50% of them will require subscription services in coming years

### Merchant Subscriptions (Including Devices) (Qtr ending)



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## Net Payment Revenue (Qtr ending)





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



## Loan Distribution

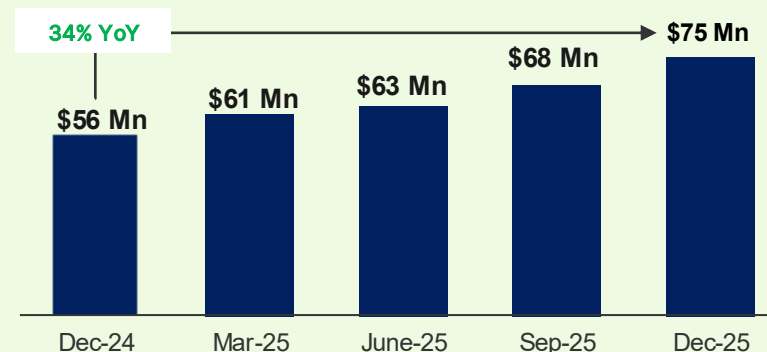
- We help various lending partners to disburse loans to Paytm's consumers & merchants. Our lending partners provide the balance sheet and underwrite loans
- We earn sourcing fee on the loans distributed through our platform. In certain cases, we help lenders to collect loans and we earn collection incentives
- There is continued interest from both existing and new lending partners on back of improved asset quality experience for our lending partners

## Other Financial Services

- We offer equity broking, and distribute mutual funds and insurance driven by AI-powered product offerings

## Financial Service Revenue

(Qtr ending)



### Key Financial Services Customers (# Lakh)

5.9	5.5	5.6	6.5	7.1
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Loans

**Merchant Loans:** Loans to merchants with daily repayment

**Personal Loans:** Instant personal loans with best customer experience

**Paytm Postpaid:** 'Buy Now, Pay Later' 30 day credit line on UPI



Equity

**Equity Broking:** High-quality trading platform with comprehensive offerings

**Mutual Fund Distribution:** Focus on SIPs and wealth management products



Insurance

**Insurance Broking:** Embedded insurance and DIY products to Paytm consumers and merchants

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

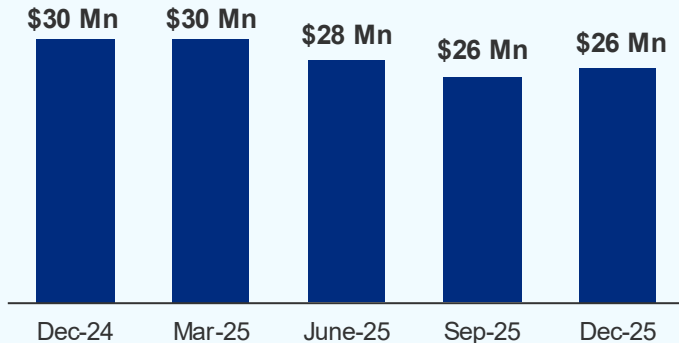


## We enable merchants to offer below services on our app:

- Advertising to merchants on our platform and help deliver high RoI through use of AI for sharper customer cohorting
- Travel ticketing (flight, train, bus) to customers on behalf of merchants. During the quarter, we launched AI-led travel app 'Paytm Checkin' with an in-app conversational assistant

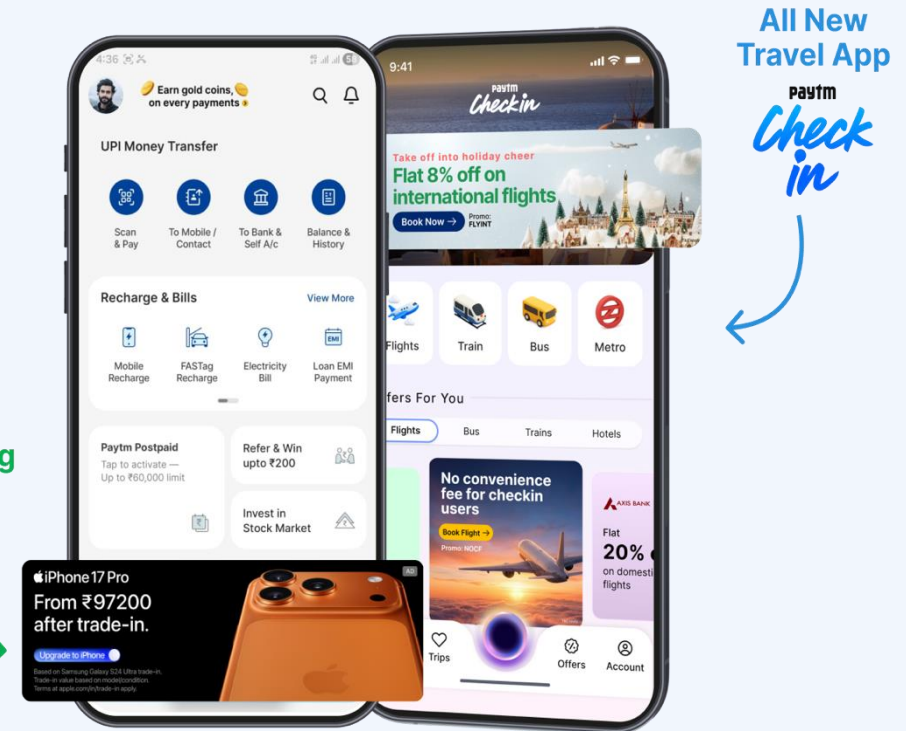
## Marketing Service Revenue

(Qtr ending)



- Revenue from Marketing Services is driven by the number of app consumers availing these services

Advertising Services



# Key Focus Areas



## Continue to Lead India's Enterprise and MSME Merchant Payments

Focused on expanding leadership through our full-stack omni-channel payment offerings



## Expand Distribution of Financial Services

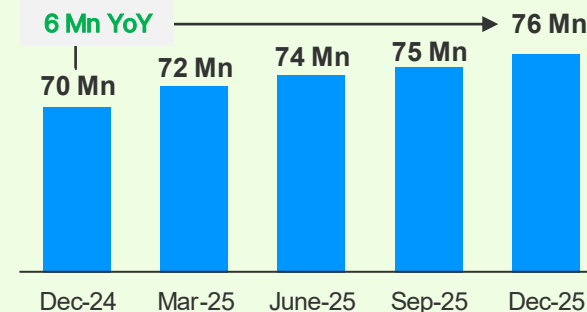
Grow distribution through increase in lending partners, new products and enhance collection performance using AI



## Drive Gain in Consumer UPI Market Share

Enhance consumer experience and boost retention, supporting continued gains in market share

### Monthly Transacting Users (For the quarter)



**International Expansion:** As an additional long-term growth driver, we are evaluating select new markets for our technology and products. We expect this initiative to start contributing meaningfully after 2-3 years

# Building a high quality, long-term profitable business that reflects industry-leading customer monetisation



Over the years, we have built the business with strong foundation reflected in industry-leading customer monetisation and cost discipline.

This has been evident recently in several areas:

- Insignificant impact from industry stoppage of rent payments through credit card (PA PG guidelines, Sep 2025) and Real Money Gaming (RMG) Act, Aug 2025, as we had taken proactive compliance measures
- Discontinued use of “adjusted” metrics; all disclosures are on GAAP basis or as per standard definitions, which drives appropriate resource allocation decisions
- Movement to conservative revenue recognition policy, which reduced revenues but also provision for doubtful debt (PDD)
- As mentioned in earlier quarters, we benefited from Payment Infrastructure Development Fund (PIDF) incentive (total of \$24 Mn incentive for the nine months ended Dec 31, 2025), applicable till Dec 2025. We expect to significantly offset the impact over time through a combination of higher revenues and targeted sales efforts, in line with our discipline on RoI and payback periods.



# Annexure

# Operating Revenue and Contribution Profit



(in \$ Mn)	Quarter Ended			Change		Nine Months Ended		
	Dec-25 (Unaudited)	Sep-25 (Unaudited)	Dec-24 (Unaudited)	YoY	QoQ	Dec-25 (Unaudited)	Dec-24 (Unaudited)	YoY
Payment Services	132	127	111	19%	4%	376	315	19%
Distribution of Financial Services	75	68	56	34%	10%	205	129	59%
Marketing Services	26	25	30	(11)%	4%	79	99	(20)%
Other Operating Revenue	10	9	6	64%	19%	26	12	118%
<b>Revenue from Operations</b>	<b>244</b>	<b>229</b>	<b>203</b>	<b>20%</b>	<b>6%</b>	<b>686</b>	<b>554</b>	<b>24%</b>
Payment processing charges	75	70	63	18%	7%	209	178	17%
<i>As % of GMV</i>	0.11%	0.11%	0.11%	0 bps	0 bps	0.11%	0.12%	(1) bps
Promotional cashback & incentives	8	6	4	86%	38%	17	12	43%
Other Expenses	23	20	29	(22)%	16%	59	74	(21)%
<b>Total Direct Expenses</b>	<b>105</b>	<b>95</b>	<b>97</b>	<b>9%</b>	<b>11%</b>	<b>285</b>	<b>265</b>	<b>8%</b>
<b>Contribution Profit</b>	<b>139</b>	<b>134</b>	<b>107</b>	<b>30%</b>	<b>3%</b>	<b>401</b>	<b>290</b>	<b>38%</b>
<i>Contribution Margin %</i>	57%	59%	52%	447 bps	(164) bps	58%	52%	614 bps



# EBITDA



(in \$ Mn)	Quarter Ended			Change		Nine Months Ended		
	Dec-25 (Unaudited)	Sep-25 (Unaudited)	Dec-24 (Unaudited)	YoY	QoQ	Dec-25 (Unaudited)	Dec-24 (Unaudited)	YoY
<b>Contribution Profit</b>	<b>139</b>	<b>134</b>	<b>107</b>	<b>30%</b>	<b>3%</b>	<b>401</b>	<b>290</b>	<b>38%</b>
<i>Contribution Margin %</i>	57%	59%	52%	447 bps	(164) bps	58%	52%	614 bps
Marketing	9	8	12	(26)%	7%	23	45	(48)%
Employee cost (incl ESOPs)	80	74	84	(5)%	9%	225	282	(20)%
Software, cloud and data center	18	15	17	8%	25%	52	55	(5)%
Other indirect expenses	14	22	19	(23)%	(35)%	59	65	(9)%
<b>Total indirect expenses</b>	<b>121</b>	<b>118</b>	<b>131</b>	<b>(8)%</b>	<b>3%</b>	<b>360</b>	<b>447</b>	<b>(20)%</b>
<b>EBITDA</b>	<b>17</b>	<b>16</b>	<b>(25)</b>	<b>nm</b>	<b>10%</b>	<b>41</b>	<b>(158)</b>	<b>nm</b>
<i>Margin %</i>	7%	7%	(12)%	1,931 bps	22 bps	6%	(28)%	3,442 bps

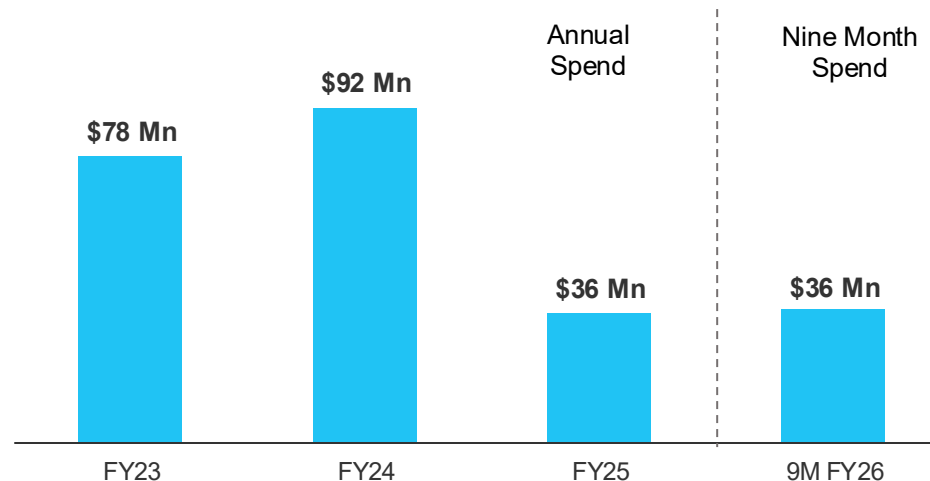
## ESOP Pool Schedule

As of Jan 29, 2026	(in Mn)
<b>Basic shares outstanding</b>	<b>640</b>
ESOPs vested and unexercised	2
ESOPs granted and unvested	11
ESOPs available for distribution	27
<b>Estimated fully diluted shares</b>	<b>679</b>

## Indirect Expenses

(in \$ Mn)	Dec-24	Mar-25	June-25	Sep-25	Dec-25	YoY Change (%)
Marketing	12	11	7	8	9	(26)%
Sales employees (incl. ESOP Costs)	26	27	30	33	35	36%
Non-sales employee costs (incl. ESOP Costs)	58	56	42	41	45	(22)%
Software & Cloud expenses	17	16	19	15	18	8%
Other indirect expenses	19	18	23	22	14	(23)%
<b>Total Indirect Expenses</b>	<b>131</b>	<b>129</b>	<b>120</b>	<b>118</b>	<b>121</b>	<b>(8)%</b>

## Capex



# Reconciliation of Non-GAAP Measures



## EBITDA to Net Income

(in \$ Mn)	Quarter Ended			Change		Nine Months Ended		
	Dec-25 (Unaudited)	Sep-25 (Unaudited)	Dec-24 (Unaudited)	YoY	QoQ	Dec-25 (Unaudited)	Dec-24 (Unaudited)	YoY
EBITDA (A)	17	16	(25)	nm	10%	41	(158)	nm
Finance costs (B)	0	(1)	(1)	0%	(20)%	(1)	(1)	8%
Depreciation and amortization expense (C)	(15)	(15)	(18)	(19)%	(3)%	(48)	(58)	(16)%
Other income (D)	24	25	21	12%	(5)%	75	56	35%
Share of profit/(loss) of associates/joint ventures (E)	(1)	(1)	0	nm	nm	0	0	(33)%
Exceptional items (F)	0	(21)	0	nm	nm	(23)	150	nm
Income Tax expense (G)	(1)	(1)	(1)	0%	(50)%	(2)	(2)	19%
<b>Profit / (Loss) for the period/year (H = sum of A to G)</b>	<b>25</b>	<b>2</b>	<b>(23)</b>	<b>nm</b>	<b>971%</b>	<b>41</b>	<b>(13)</b>	<b>nm</b>

# Operational KPIs



	Units	Quarter Ended			Change	
		Dec-25 (Unaudited)	Sep-25 (Unaudited)	Dec-24 (Unaudited)	YoY	QoQ
Registered Merchants (end of period)	Mn	48	47	43	12%	2%
Subscription Merchants including devices (cumulative; end of period)	Mn	14.4	13.7	11.7	23%	5%
GMV	\$Bn	69	64	56	24%	9%
Merchant Transactions	Bn	14.6	14.5	11.1	32%	1%
Total Transactions	Bn	17.1	16.6	12.3	39%	3%
Average Number of Sales Employees	#	44,461	44,154	32,019	39%	1%
Cost of Sales Employees (including ESOP Costs)	\$ Mn	35	33	26	36%	6%
MTU (average over the period)	Mn	76	75	70	9%	1%
Key financial services customers	Mn	0.71	0.65	0.59	20%	9%

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



Particulars (in \$ Mn)	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Cash and Bank Balances	495	504	507	540	608
Deposits with banks	778	780	720	696	680
Investments (Mutual Funds/T-Bills/CP/G-Sec/NCD/NBFC FDs)	460	450	565	616	528
<b>Total Balances (A)</b>	<b>1,733</b>	<b>1,734</b>	<b>1,792</b>	<b>1,853</b>	<b>1,815</b>
Paytm Money Ltd (PML) customer funds (B)	32	36	47	39	46
Balances in Escrow / Nodal Accounts (C)	273	274	315	362	415
<b>Total Balances (excluding PML and Escrow) (A-B-C)</b>	<b>1,428</b>	<b>1,424</b>	<b>1,431</b>	<b>1,452</b>	<b>1,354</b>
Prefunded balance in escrow account from PPSL post transfer of offline business (D)		Negligible			78
<b>Total Balance (A - B - C + D)</b>	<b>1,428</b>	<b>1,424</b>	<b>1,431</b>	<b>1,452</b>	<b>1,432</b>

During Q3 FY 2026, our cash balance movement has been due to higher working capital (typical in the quarter end after festive period), higher pre-funding in the merchant nodal / escrow account following the transfer of offline merchant business to PPSL as per regulatory guidelines, and growth of MTF book.

To meet peak working capital requirement related to merchant payment settlement, we have pre-funded escrow account by \$78 Mn in Q3 FY26 and are currently maintaining this pre-funding position, leading to increase in 'Balance in Escrow / Nodal Accounts'. This amount was negligible earlier. After considering pre-funded amount in Escrow as cash balance, our cash balance is \$1,432 Mn as of quarter ending December 2025, as compared to \$1,428 Mn as of quarter ending December 2024.

# Indicative Performance Metrics for Loan Distribution (Dec 2025 quarter)



	Merchant Loans
Bounce Rates	NA
Bucket 1 Resolution %	83% to 90%
Recovery Rate Post 90+	30% to 35%
ECL%	4.5% to 5.0%

Loans are underwritten and booked by our lending partners in their balance sheets. Paytm acts as a collection outsourcing partner and the numbers are hence indicative of those efforts

## 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 our App or have used the Paytm for Business App
Contribution Profit	We define Contribution profit as revenue from operations less payment processing charges, promotional cashback & incentives expenses, connectivity & content fees, contest, ticketing & logistics, deployment & collection cost of our businesses.
Net Payments Revenue	Payments revenues (including other operating revenue) less payments processing charges
Key Financial Services customers	Key financial services customers are unique consumers and merchants who have availed Paytm's and group entity's financial services offerings, i.e. equity broking, insurance and credit products, such as merchant and consumer loans distributed through our platform. However, it does not include customers availing mutual fund distribution, Postpaid loans, gold distribution or any attachment insurance products, as they contribute negligible revenue/profitability



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