



# Earnings Release

## Quarter ending Mar'22

**Paytm**

20 May 2022

## Key Metrics for the quarter ending March 2022 (Q4 FY 2022)

### Revenue from Operations

Strong year-on-year growth across the board. Main drivers were increase in merchant payments processed through MDR bearing instruments (Paytm Wallet, Paytm bank account, cards, etc) and disbursements of loans through our partners on Paytm platform.

₹1,541 Cr

▲ 89% Y-o-Y

### Contribution profit

Contribution profit (defined as Revenue from operations less direct costs) **improved to 35.0% of revenue** in Q4 FY 2022 from 21.4% in Q4 FY 2021 and 31.2% in Q3 FY 2022.

₹539 Cr

▲ 210% Y-o-Y

### EBITDA (Before ESOP cost)

Improvement of 12% year-on-year in Q4 FY 2022. Margin improved to (24%) of revenues from (51%) of revenues in Q4 FY 2021.

**On track to achieve break-even by quarter ending September 2023.**

₹(368) Cr

▲ ₹52 Cr Y-o-Y

### Average Monthly Transacting Users (MTU)

Average MTU (number of unique users with at least one successful payments transaction in a month), has grown by 41% Y-o-Y to 70.9 million in Q4 FY 2022.

70.9 Mn

▲ 41% growth Y-o-Y

### Loans Distributed through Paytm

All lending offerings have scaled up significantly over the last year, seeing increased adoption by users. Number of loans at 6.5 million, grew 374% Y-o-Y

₹3,553 Cr

▲ 417% growth Y-o-Y

## Key Revenue Metrics

	Q4 FY 2022	Y-o-Y growth
<b>Payments Services to Consumers</b> Revenue from payments made by consumer on Paytm App	₹469 Cr	69%
<b>Payments Services to Merchants</b> Revenue for processing payment in merchant store or app or website and payments devices subscriptions	₹572 Cr	90%
<b>Commerce and Cloud Services to Merchants</b> Revenue from enabling commerce for merchants. Primarily offerings such as advertising, commerce and mini apps on Paytm App	₹320 Cr	61%
<b>Financial Services &amp; Others</b> Revenue from Financial Services like Lending, Paytm Money, Insurance and other services like Fastag sales	₹168 Cr	342%

## Key operating metrics for loans disbursed through our platform

	Q4 FY 2022	Y-o-Y growth
<b>Total Number of Loans Disbursed in Q4</b> Number of loans disbursed by our partners using our platform	6.5 Million	374%
<b>Personal Loans (value of loans)</b> Average ticket size ₹85,000 to ₹95,000 and average tenure of 12 to 14 months	₹805 Cr	1,082%
<b>Merchant Loans (value of loans)</b> Average ticket size ₹130,000 to ₹150,000 and average tenure of 12 to 14 months	₹565 Cr	178%
<b>Paytm Postpaid (Buy-Now-Pay-Later) (value of loans)</b> Small Spend credit for purchases at over 9 million offline and online merchants	₹2,183 Cr	425%

# Business Update for quarter ending March 2022 (Q4 FY 2022)

Paytm ended the fiscal year with strong growth across our businesses and reductions in EBITDA losses, which puts us well on track to achieve operating breakeven by the quarter ending September 2023. On the consumer payments side, we are seeing increasing usage of the Paytm app and Paytm Payment instruments. We are also seeing growth across the entire base of merchant payment solutions: (i) QR for payments (typically free), (ii) soundboxes (which generate subscription revenues), (iii) card machines (which generate subscription and MDR revenues), and (iv) Payment Gateway for online merchants (which generates MDR revenues and platform fees). We have leveraged our distribution and rich insights to offer financial products to our consumers and merchants, in partnership with financial institutions. One of the highlights of the quarter has been the rapid growth of our lending products which provides us with an attractive profit pool. In April 2022, we reached an annualised run rate of approximately ₹20,000 Cr of disbursement through our platform.

## Rapidly growing and engaged customer and merchant base

We witnessed another quarter of continued platform growth, with an average monthly transacting user (MTU) base of 70.9 million for the quarter, growing 41% Y-o-Y and 10% Q-o-Q. We also grew our merchant base to 26.7 million merchants, including 2.9 million payment devices as of the end of the fiscal year.

We continue to witness a massive growth in our GMV, which stood at ₹2.6 Lakh Cr for the quarter, a growth of 104% Y-o-Y (our full year GMV to ₹8.5 Lakh Cr, more than doubling from ₹4.0 Lakh Cr in FY 2021).

## Payments monetization gaining momentum

Our focus on monetization is yielding strong results. Our GMV from MDR-bearing instruments grew 52% Y-o-Y for the quarter, while payment services revenue (from consumers and merchants) grew faster at 80% Y-o-Y. This is primarily due to the growth of users and use cases on the Paytm app, growth in MDR revenues and increase in device subscriptions.

### *Positive impact of increased engagement on our platform because of UPI*

Regardless of the payment instruments that customers use on our platform (UPI, cards, or wallet), high consumer engagement gives us monetization opportunities across payments, commerce and financial services. Similarly, merchants who start their journey with free products such as a QR-code (for UPI and Paytm Wallet), and demonstrate high engagement (as measured by GMV, regardless of instrument type) give us monetization opportunities through device subscriptions and lending. This reflects the strength of our platform and our business model.

## Attractive upsell opportunity via lending

In our lending vertical, total loans disbursed were 6.5 million for the quarter, amounting to ₹3,553 Cr in terms of value, a growth of 417% Y-o-Y. Consequently, our revenues from Financial Services (and others) grew to Rs. 168 crores, a growth of 342% Y-o-Y.



Paytm Postpaid saw strong growth in Q4 FY 2022, growing 425% Y-o-Y in value and 373% Y-o-Y in volume, as consumers increasingly opt for the convenience it offers. Paytm Postpaid is now available at more than 9 million online and offline merchants, making it the most widely accepted transaction credit instrument in India.

Growth in Paytm Postpaid also drives our Personal loans business, which grew nearly 12x Y-o-Y in value terms in Q4 FY 2022. Over 50% of personal loan disbursements are made to existing Paytm Postpaid customers, and we view ample opportunity for continued cross-sell in this business.

Similarly, the scale of our devices business has facilitated the rapid growth in our Merchant Loans vertical, which expanded 123% Y-o-Y in volume and 178% Y-o-Y in value in the quarter, with more than 75% of value disbursed being to merchants with a deployed Paytm device. Also, over half of total value disbursed this quarter has been to merchants who have already taken a loan before, an indication of the product's value proposition.

### **On track to achieving operating break-even with improvements in operating leverage**

As announced in April 2022, we believe we will achieve operating breakeven (i.e EBITDA before ESOP cost) by September 2023. This will be driven by continued revenue growth, along with moderation in costs as operating leverage kicks in. Q4 FY 2022 witnessed strong improvement in contribution margins to 35%, up from 31% in Q3 FY 2022 and 21% in Q4 FY 2021. This was driven by significant improvement in Payments contribution margins, growth of high-margin Financial Services, and increased margin in Merchant Services (Commerce & Cloud) vertical. We expect to see continued improvements in contribution margin in Q1 FY 2023 and going forward.

In FY 2022, we made significant investments in a) marketing expenses to grow average MTU at 40%+ year-on-year, and b) employee costs, primarily to scale up our devices deployments to 0.8 to 1.0 million per quarter. As we enter FY 2023, we expect to achieve significant operating leverage, and the trajectory of EBITDA improvement to steepen.

### **Enabling Regulatory Environment**

In our view, the regulatory environment in India remains constructive and supportive of digital payments and financial services. We are creating an organization with an immense focus on regulatory compliance. With the evolving regulatory environment, we are continuously strengthening our systems, processes and management depth. In our payments business, we focus on driving innovation and financial inclusion, while closely following the letter and spirit of all regulations. We do our lending distribution business in strict compliance with the existing digital lending guidelines as prescribed by the regulator in June 2020, and we are further strengthening our partnerships with blue-chip lending institutions we work with.

Our associate Paytm Payments Bank continues to engage with the Reserve Bank of India in addressing its concerns and observations. We understand that Paytm Payments Bank is pursuing initiation of an IT audit, as one of the key areas of observations, in a time bound manner. Paytm Payments Bank continues to serve its existing customers and merchants in offering them best banking services without any interruption. New customers can use Paytm UPI and non-PPBL payment instruments and existing customers are not impacted.

# Financial Update for quarter ending March 2022 (Q4 FY 2022)

## Robust growth in revenue from operations

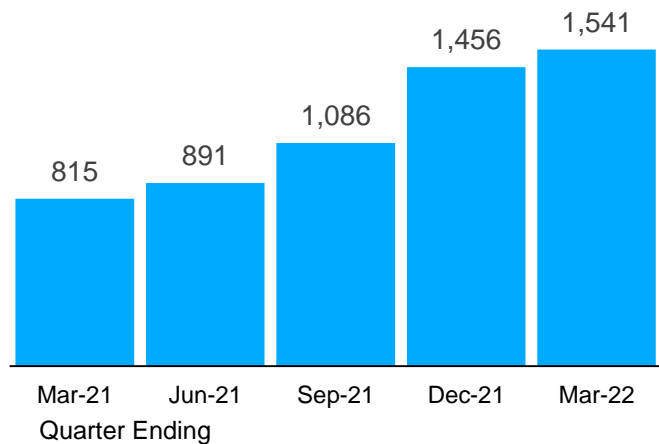
In Q4 FY 2022, our revenue grew by 89% Y-o-Y from ₹815 Cr to ₹1,541 Cr driven by 52% Y-o-Y growth in GMV from MDR bearing instruments, 2.1 million new devices, and 417% Y-o-Y growth in value of loans disbursed.

For the full year, our consolidated Revenue from Operations grew by 77% to ₹4,974 Cr in FY 2022 from ₹2,802 Cr for the FY 2021.

The Q-o-Q growth was despite the higher festive season demand in the previous quarter, in our payment services and commerce businesses.

## Revenue from Operations

▲ 89% Y-o-Y (in ₹ Crore)



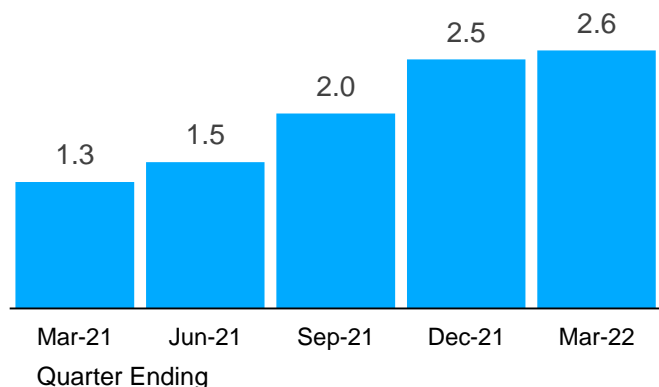
## Payment Services

Payment services is the key channel for acquisition and engagement, for consumers and merchants. In Q4 FY 2022, our GMV at ₹2.6 Lakh Cr grew by 104% Y-o-Y driven both by growth in transacting users as well as increasing in-store presence at merchants through Paytm QR and devices. GMV from MDR-bearing instruments (primarily Paytm Wallet, credit and debit cards and netbanking) grew by 52% Y-o-Y for Q4 FY 2022.

For the full year, our GMV has more than doubled to ₹8.5 Lakh Cr in FY 2022 from ₹4.0 Lakh Cr in FY 2021.

## GMV

▲ 104% Y-o-Y (in ₹ Lakh Crore)



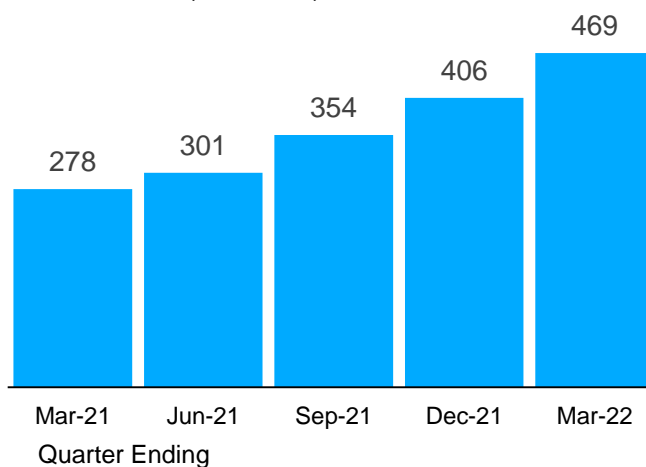
## Payment Services to Consumers

In Q4 FY 2022, revenue grew by 69% Y-o-Y to ₹469 Cr, driven by growth in usage (both users and the number of use cases) of Paytm app, growth of bill payments use cases, and growth in usage of MDR-bearing instruments.

For the full year, our Revenue from Payment Services to Consumers grew by 58% to ₹1,529 Cr in FY 2022 from ₹969 Cr for the FY 2021.

## Revenue: Payment Services to Consumers

▲ 69% Y-o-Y (in ₹ Crore)



## Payment Services to Merchants

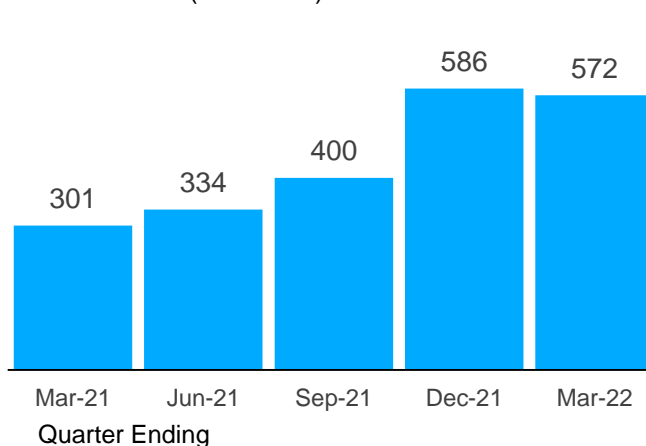
In Q4 FY 2022, our Revenue from Payment Services to Merchants grew by 90% Y-o-Y to ₹572 Cr driven by strong growth of MDR-bearing instruments GMV and continued strong growth in payments devices (with 0.9 million devices added in Q4 FY 2022).

Our revenue dropped marginally on a Q-o-Q basis, primarily due to previous quarter being seasonally strong due to festive demand in our online and offline merchant payments businesses.

For the full year, revenue grew by 87% to ₹1,892 Cr in FY 2022 from ₹1,012 Cr for FY 2021.

## Revenue: Payment Services to Merchants

▲ 90% Y-o-Y (in ₹ Crore)



## Payment Gateway Services to Merchants

Our Payment Gateway continues to be preferred by leading online brands in India because of the ease of integration, ability to accept payment from multiple sources, and high transaction success rates.

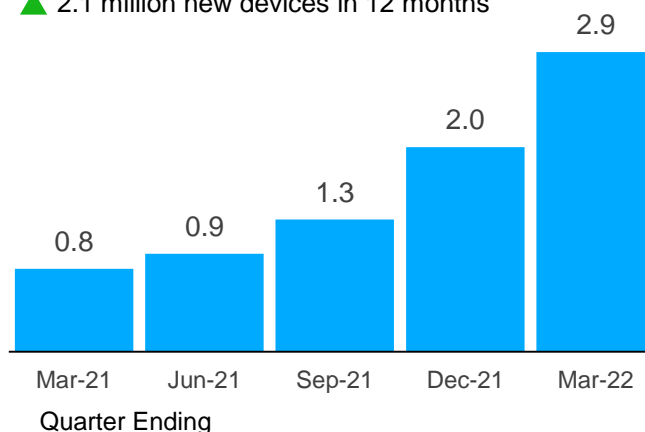
## Offline Payment Services to Merchants

We offer a wide array of products, to accept in-store payments, such as All-in-one and Dynamic QR, All-in-one and Smart POS, and Soundbox (recently introduced our Made in India Soundbox). Over 9 million merchants are now enabled to accept payments through Paytm Postpaid and we have partnered with prominent brands accounting to about 90% of industry's card EMI business.

We deployed approximately 2.1 million devices in the last 12 months and our total deployed base increased to 2.9 million devices by the end of Q4 FY 2022.

## Number of Payment Devices

▲ 2.1 million new devices in 12 months



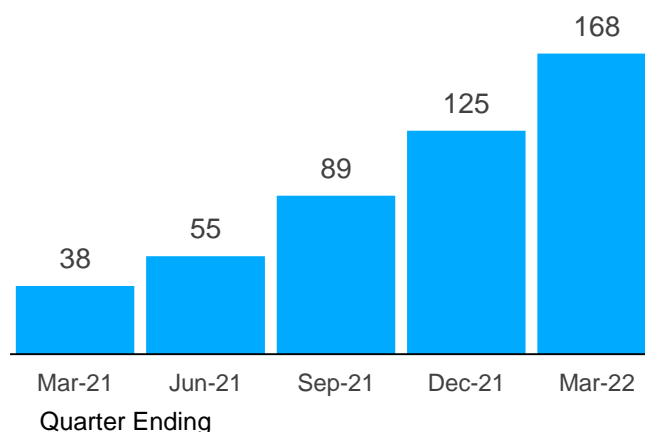
## Financial Services and Others

In Q4 FY 2022, revenue from Financial Services and Others grew 342% Y-o-Y to ₹168 Cr. The growth in revenue was primarily driven by 417% Y-o-Y growth in the value of loans disbursed. The Q-o-Q growth in revenue was 35%, driven by an increase in Postpaid and Personal Loans disbursements.

For the full year, revenue from Financial Services & Others grew by 240% Y-o-Y to ₹437 Cr in FY 2022 from ₹128 Cr in FY 2021.

## Revenue: Financials Services and Others

▲ 342% Y-o-Y (in ₹ Crore)





## Lending

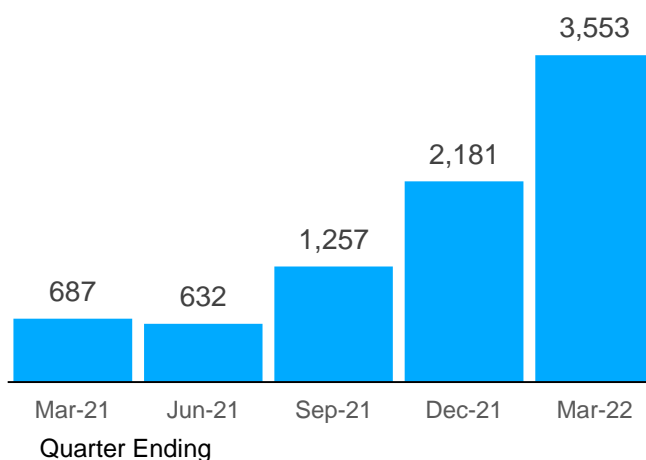
In Q4 FY 2022, the number of loans disbursed through our platform grew to 6.5 million, representing a growth of 374% Y-o-Y and 48% Q-o-Q. The value of loans disbursed grew to ₹3,553 Cr, a growth of 417% Y-o-Y and 63% Q-o-Q.

We have seen strong growth across all our products: Paytm Postpaid (BNPL), personal loans and merchant loans. We have expanded our partnerships to 9 banks and NBFCs in Q4 FY 2022 to provide digital loans to MSMEs and consumers from smaller cities and towns.

For the full year, the number of loans disbursed through our platform has grown 478% Y-o-Y to 15.2 million in FY 2022 from 2.6 million in FY 2021. Value of loans disbursed has grown 441% Y-o-Y to 7,623 Cr in FY 2022 from 1,409 Cr in FY 2021.

## Value of Loans Disbursed through Paytm

▲ 417% Y-o-Y (in ₹ Crore)

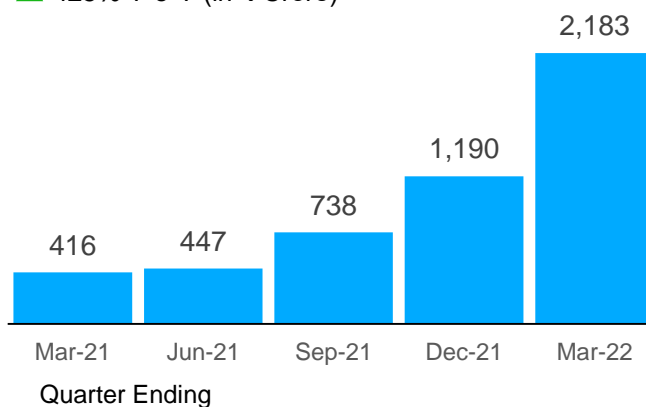


## Paytm Postpaid

Number of Postpaid Loans disbursed grew 373% Y-o-Y in Q4 FY 2022, while the value of Postpaid Loans grew 425% Y-o-Y, thus highlighting increased usage by customers. The total signed up user base for Postpaid has now crossed 4 million. Postpaid also offers significant upsell opportunities in Personal Loans and Credit cards, with over 40% Paytm branded credit cards issued to existing Postpaid users. Merchant acceptance continues to grow and Paytm Postpaid is now available at more than 9 million online and offline merchants.

## Value of Loans: Postpaid

▲ 425% Y-o-Y (in ₹ Crore)

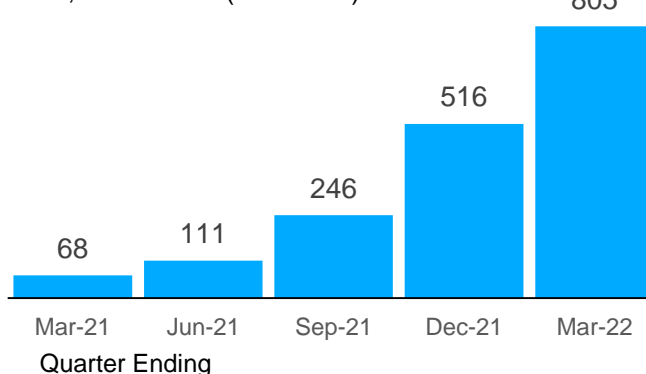


## Personal Loans

Number of Personal Loans disbursed grew 948% Y-o-Y in Q4 FY 2022, while the value of Personal Loans grew 1,082% Y-o-Y. We see a significant potential to cross-sell as over 50% of personal loans disbursed in Q4 FY 2022 were to our existing Paytm Postpaid users. Average ticket size ranged from ₹85,000-95,000 with average tenure of 12-14 months.

## Value of Loans: Personal Loans

▲ 1,082% Y-o-Y (in ₹ Crore)

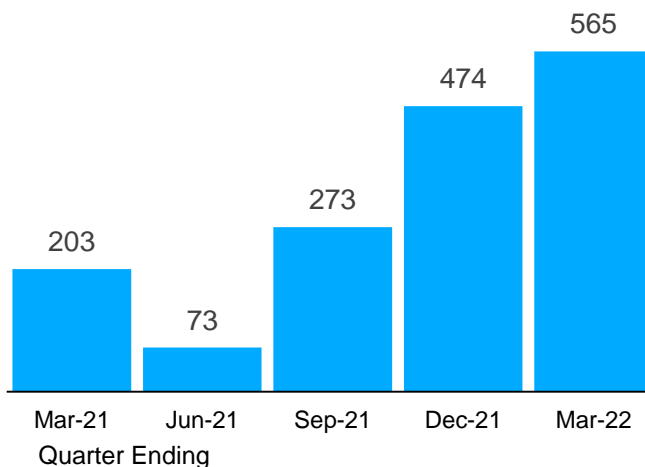


## Merchant Loans

Number of Merchant Loans disbursed grew 123% Y-o-Y in Q4 FY 2022, while the value of Merchant Loans grew 178% Y-o-Y. Average ticket size continues to increase with scale, now at ₹130,000-150,000 with average tenure of 12-14 months. Repeat loans have seen a healthy take up, with over 50% of total value disbursed last quarter being to merchants who have taken a loan earlier. Furthermore, more than 75% of value of loans disbursed was to merchants with a Paytm payments device.

### Value of Loans: Merchant Loans

▲ 178% Y-o-Y (in ₹ Crore)



## Commerce and Cloud Services

For Q4 FY 2022, revenues from Commerce and Cloud services went up by 61% Y-o-Y to ₹320 Cr. For the full year FY 2022, Commerce & Cloud services revenue grew 59% Y-o-Y to ₹1,105 Cr from ₹693 Cr in FY 2021.

### Commerce

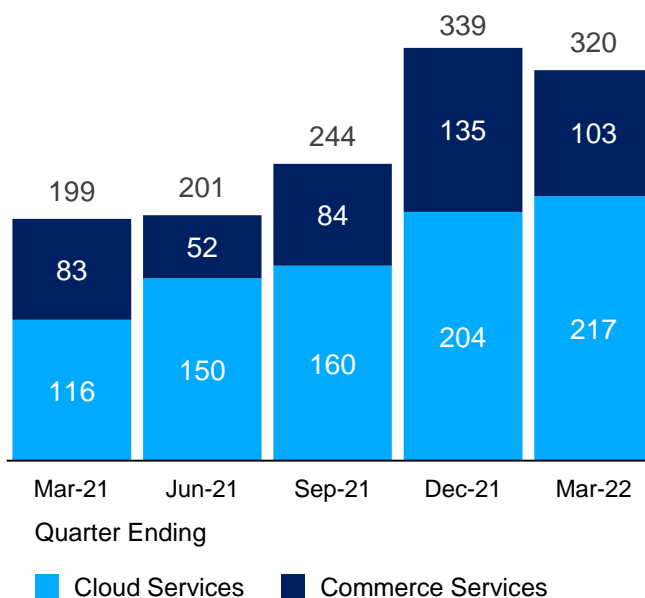
In Q4 FY 2022, revenue from Commerce grew by 24% Y-o-Y to ₹103 Cr, but was down 23% Q-o-Q due to (a) ticketing being impacted for approximately 3-4 weeks due to Omicron in Jan-Feb 2022, (b) strong demand in the previous quarter due to festive season. We expect to see strong recovery in this business in FY 2023.

### Cloud

In Q4 FY 2022, revenue from Cloud increased to ₹217 Cr up 88% Y-o-Y, primarily due to strong growth in revenues from advertising and PAI Cloud. In our Advertising business, we served over 200 active advertisers on our platform during the quarter. Average revenue per active advertiser grew by over 10% during the fourth quarter.

### Revenue: Commerce and Cloud Services

▲ 61% Y-o-Y (in ₹ Crore)



### Operating Expenses continue to be optimized for contribution margin growth and path to profitability

In Q4 FY 2022, our payment processing charges at ₹774 Cr grew 52% Y-o-Y whereas our Payment services revenue grew by 80% Y-o-Y, thus highlighting consistently improving margins. This was primarily driven by optimization in transaction routing, improvements in transaction rates from banks with our scale, and an increase in low-cost payment instruments in our overall mix, including for Paytm Wallet.

For the full year, payment processing charges at ₹2,754 Cr were up only 44% Y-o-Y whereas our Payment services revenue grew by 73% for the same period.

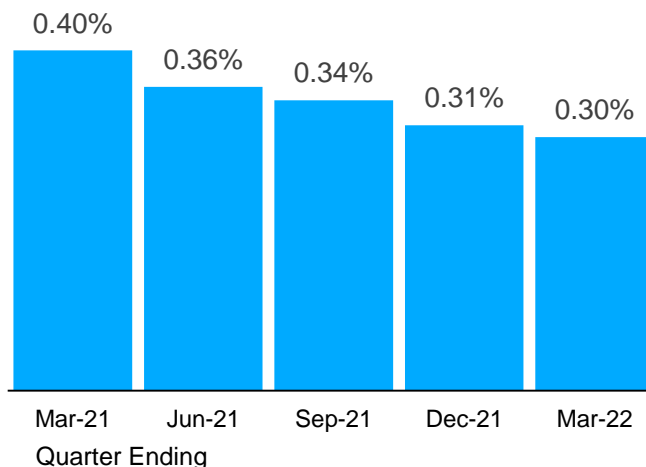
### 210% growth in Contribution Profit

We continued improving our margins on our journey towards becoming EBITDA (excl ESOPs) positive. In Q4 FY 2022, the contribution profit at ₹539 Cr represents a 210% Y-o-Y and 19% Q-o-Q growth. This has been possible due to margin improvement in Payments and growth in high margin offerings such as lending and cloud services. Our contribution margin improved to 35% in Q4 FY 2022 from 21% in Q4 FY 2021 and 31% in Q3 FY 2022. We expect to see continued improvements in contribution margin in Q1 FY 2023 and going forward.

For the full year, our contribution profit grew over 4x to ₹1,498 Cr in FY 2022 from ₹363 Cr in FY 2021. Contribution margin as a % of revenue also improved to 30% in FY 2022 from 13% in FY 2021.

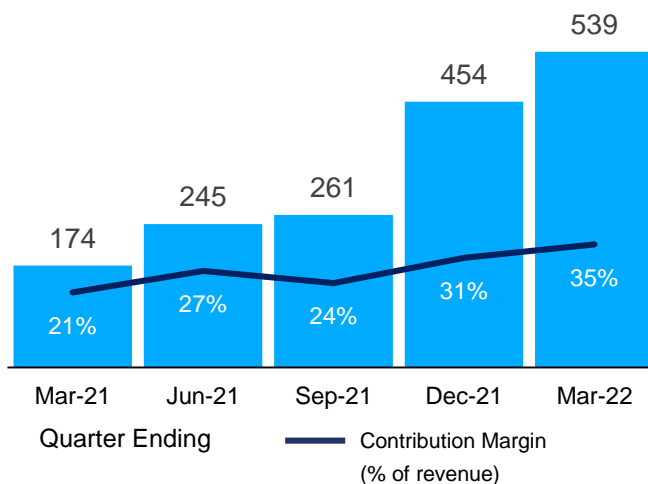
### Payment Processing Charges

As % of GMV



### Contribution Profit

▲ 210% Y-o-Y (in ₹ Crore)



### Indirect Expenses (Excluding ESOP cost) reduced from 73% of revenues in Q4 FY 2021 to 59% of revenues in Q4 FY 2022

We made investments in indirect expenses in FY 2022, primarily in marketing expenses (excluding promotional cashback and incentives) and employee costs.

In Q4 FY 2022 **Marketing costs** (excluding promotional cashback and incentives) at ₹131 Cr were 9% of revenues, down from 10% of revenues in Q4 FY 2021.

On an absolute basis these costs are 64% higher Y-o-Y, in part due to the seasonality in our spending on cricket sponsorships which depends on the schedule of cricket matches.

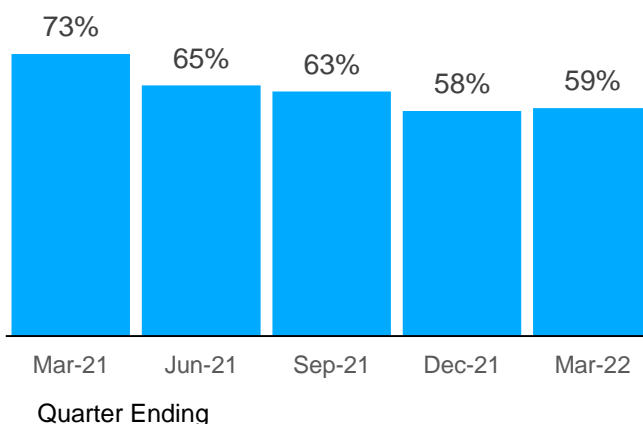
In Q4 FY 2022, our **Employee costs** (excluding ESOP cost) at ₹502 Cr were 33% of revenues, down from 38% of revenues in Q4 FY 2021. On an absolute basis these costs were up 64% Y-o-Y and 14% Q-o-Q as we expanded our field sales network to drive penetration of devices. We continue to invest in our product and technology teams to help scale our platform to support the next leg of users and transactions growth.

We believe that our employee headcount in Q4 FY 2022 is largely in line with the needs of the business for FY 2023 and we do not expect significant increases in headcount from the current levels.

In Q4 FY 2022, our **Software, Cloud, and Data Center** costs at ₹151 Cr were 10% of revenues, down from 13% of revenues in Q4 FY 2021. On an absolute basis these costs were up 40% Y-o-Y and 16% Q-o-Q for Q4 FY 2022, primarily due to expansion of our cloud infrastructure to support our growing transaction volumes and GMV which has grown 2x Y-o-Y and investments in key licenses to drive up customer acquisition and engagement.

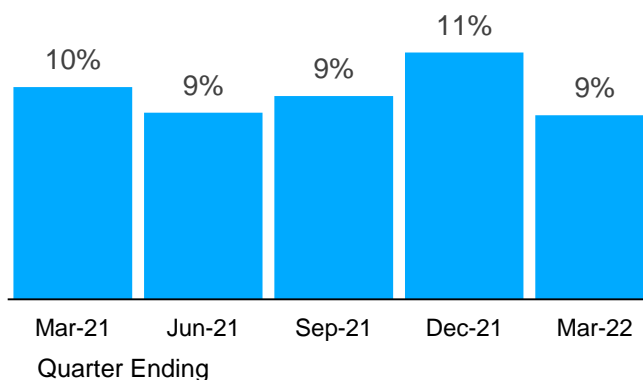
### Indirect Expenses

As % of revenue



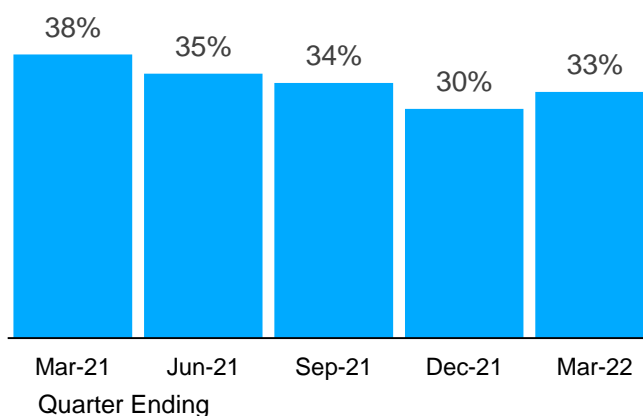
### Marketing Cost

As % of revenue



### Employee Costs (Excluding ESOPs)

As % of revenue



### Reducing EBITDA (before ESOP cost) losses

In Q4 FY 2022, our EBITDA (before ESOP cost) was (₹368 Cr) as compared to (₹420 Cr) in Q4 FY 2021 (12% reduction) and (₹393 Cr) in Q3 FY 2022 (6% reduction).

EBITDA (before ESOP cost) margin improved to (24%) of revenues, from (51%) of revenues in Q4 FY 2021 and (27%) of revenues in Q3 FY 2022.

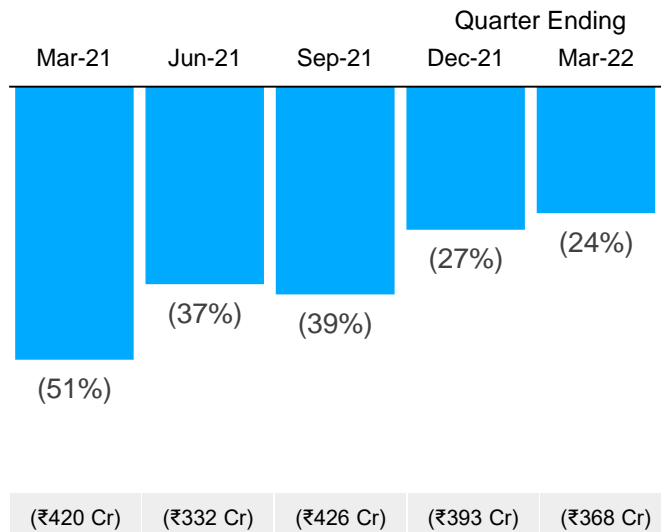
We have improved EBITDA (before ESOP cost) loss despite making investments in user growth, merchant device deployment and technology. As a result of increasing operating leverage in our business, we expect to show accelerated reduction in EBITDA losses, towards our goal to become EBITDA (Excl ESOP) breakeven by September 2023 quarter.

**ESOP charges** recorded in Q4 FY 2022 were at ₹362 Cr, 7% lower than the previous quarter.

We are well funded with Net Cash, Cash Equivalent and investable balance of **₹9,271 Cr** as of March 2022.

### EBITDA (Before ESOP cost) Margin

As a % of revenues



EBITDA (before ESOP Cost) in ₹ Crore

## Summary of Consolidated Financial Performance

Particulars (in ₹ Cr)	Quarter Ended					Financial Year Ended		
	Mar-22 (Audited)	Mar-21 (Unaudited)	Y-o-Y	Dec-21 (Unaudited)	Q-o-Q	Mar-22 (Audited)	Mar-21 (Audited)	Y-o-Y
Payments & Financial Services	1,208.9	616.7	96%	1,116.8	8%	3,857.7	2,109.2	83%
Payment Services to Consumers	468.7	277.8	69%	405.8	16%	1,528.6	969.2	58%
Payment Services to Merchants	571.8	300.8	90%	585.8	(2%)	1,891.9	1,011.6	87%
Financial Services and Others	168.4	38.1	342%	125.2	35%	437.2	128.4	240%
Commerce & Cloud Services	320.3	198.6	61%	339.3	(6%)	1,104.8	693.2	59%
Commerce	103.3	83.1	24%	134.8	(23%)	373.6	245.2	52%
Cloud	217.0	115.5	88%	204.5	6%	731.2	448.0	63%
Other Operating Revenue	11.7	0.0	<i>nm</i>	0.0	<i>nm</i>	11.7	0.0	<i>nm</i>
<b>Revenue from Operations</b>	<b>1,540.9</b>	<b>815.3</b>	<b>89%</b>	<b>1,456.1</b>	<b>6%</b>	<b>4,974.2</b>	<b>2,802.4</b>	<b>77%</b>
Payment processing charges	774.2	508.7	52%	783.1	(1%)	2,753.8	1,916.8	44%
As % of GMV	0.30%	0.40%	(10 bps)	0.31%	(1 bps)	0.32%	0.48%	(15 bps)
Promotional cashback & incentives	117.5	20.0	488%	116.6	1%	378.1	235.7	60%
Other Expenses	110.0	112.5	(2%)	102.7	7%	344.2	287.4	20%
<b>Total Direct Expenses</b>	<b>1,001.7</b>	<b>641.2</b>	<b>56%</b>	<b>1,002.4</b>	<b>(0%)</b>	<b>3,476.1</b>	<b>2,439.9</b>	<b>42%</b>
<b>Contribution Profit</b>	<b>539.2</b>	<b>174.1</b>	<b>210%</b>	<b>453.7</b>	<b>19%</b>	<b>1,498.1</b>	<b>362.5</b>	<b>313%</b>
Contribution Margin %	35.0%	21.4%	1,364 bps	31.2%	383 bps	30.1%	12.9%	1,718 bps
<b>Indirect Expenses</b>								
Marketing	131.4	80.1	64%	166.5	(21%)	477.3	296.8	61%
Employee cost (Excl ESOPs)	501.9	306.2	64%	441.8	14%	1,622.6	1,072.4	51%
Software, cloud and data center	151.1	108.0	40%	130.1	16%	499.9	349.8	43%
Other indirect expenses	122.3	99.3	23%	108.1	13%	416.0	298.3	39%
<b>EBITDA (Before ESOP expense)</b>	<b>(367.5)</b>	<b>(419.5)</b>	<b>(12%)</b>	<b>(392.8)</b>	<b>(6%)</b>	<b>(1,517.7)</b>	<b>(1,654.8)</b>	<b>(8%)</b>
Margin %	(23.8%)	(51.5%)	2,760 bps	(27.0%)	313 bps	(30.5%)	(59.0%)	2,854 bps



## Summary of Key Operational Metrics

Operational KPIs	Units	Quarter Ended			Financial year ended		
		Mar-22	Mar-21	Y-o-Y	Mar-22	Mar-21	Y-o-Y
GMV	₹ Lakh Cr	2.6	1.3	104%	8.5	4.0	111%
Merchant Transactions	million	4,142	2,084	99%	12,598	5,872	115%
Total Transactions	million	5,029	2,558	97%	15,396	7,405	108%
MTU (average over the period)	million	70.9	50.4	41%	60.8	45.1	35%
Monthly GMV per MTU	₹	12,173	8,389	45%	11,680	7,468	57%
Registered Merchants (end of period)	million	26.7	21.1	na	26.7	21.1	na
Loans	'000	6,544	1,381	374%	15,232	2,635	478%
Payment Devices (cumulative; end of period)	million	2.9	0.8	na	2.9	0.8	na
Average number of Sales Employees	#	22,249	7,346	203%	14,682	5,054	190%

Number of sales employees includes on-roll and off-roll employees. Cost of our on-roll sales force (including training) was ₹150.5 Cr for Q4 FY 2022, up from ₹128.3 Cr for Q3 FY 2022

## Indicative Performance Metrics for Lending (Quarter Ending Mar'22)

	Postpaid	Personal Loans	Merchant Loans
<b>Bounce Rates</b>			
Healthy bounce rates continued to be exhibited in Q4 for our lending partners	11.0% to 13.0%	11.5% to 12.5%	NA
<b>Bucket 1 Resolution %</b>			
Capacity building with scale; Postpaid, Personal loans and Merchant loan resolution hold steady with rapidly expanding book size	82% to 85%	89% to 92%	84% to 87%
<b>Recovery Rate Post 90+</b>			
Postpaid, Personal loans and Merchant loans continue to exhibit robust recovery rates	25% to 27%	27% to 29%	31% to 33%
<b>ECL%</b>			
Steady loss rates with growing book in line with Low and Grow model of scaling	1.1% to 1.3%	4.5% to 5.0%	5.0% to 5.5%

Loans are underwritten and booked by our lending partners (NBFC's and Banks) in their balance sheet. Paytm acts as a collection outsourcing partner and the numbers are hence indicative of those efforts

## Reconciliation of EBITDA (before ESOP cost) with Loss for the period

Particulars (in ₹ Cr)	Quarter Ended			Financial Year Ended				
	Mar-22 (Audited)	Mar-21 (Unaudited)	Y-o-Y	Dec-21 (Unaudited)	Q-o-Q	Mar-22 (Audited)	Mar-21 (Audited)	Y-o-Y
<b>EBITDA before share based payment expenses (A)</b>	<b>(367.5)</b>	<b>(419.5)</b>	<b>(12%)</b>	<b>(392.8)</b>	<b>(6%)</b>	<b>(1,517.7)</b>	<b>(1,654.8)</b>	<b>(8%)</b>
Share based payment expenses (B)	(361.5)	(41.6)	769%	(389.5)	(7%)	(809.3)	(112.5)	619%
Initial Public Offer expenses (C)	0.0	0.0	nm	(5.6)	nm	(13.2)	0.0	nm
Finance costs (D)	(7.0)	(7.1)	(1%)	(12.5)	(44%)	(39.4)	(34.8)	13%
Depreciation and amortization expense (E)	(95.1)	(51.0)	86%	(60.9)	56%	(247.3)	(178.5)	39%
Other income (F)	107.5	96.5	11%	77.3	39%	290.1	384.4	(25%)
Share of profit/(loss) of associates/joint ventures (G)	(38.3)	(33.5)	14%	11.1	(445%)	(45.9)	(74.0)	(38%)
Exceptional items (H)	0.0	(0.1)	(100%)	0.0	nm	(2.4)	(28.1)	(91%)
Income Tax expense (I)	(0.6)	11.9	(105%)	(5.6)	(89%)	(11.3)	(2.7)	319%
Loss for the period/year (J=sum of A to I)	(762.5)	(444.4)	72%	(778.5)	(2%)	(2,396.4)	(1,701.0)	41%

## Breakup of available Cash Balances

Particulars	Mar-22
Cash and Cash Equivalents	1,379 Cr
Bank Balance other than Cash and Cash Equivalents	3,823 Cr
Non Current other financial assets	4,069 Cr
<b>Total Balances</b>	<b>9,271 Cr</b>

## Key Metrics for the year ending March 2022

### Revenue from Operations

Strong year-on-year ecosystem growth across the board. Main drivers were increase in merchant payments processed through MDR bearing instruments (Paytm Wallet, Paytm bank account, cards, etc.) and disbursements of loans through our partners on Paytm platform

# ₹4,974 Cr

▲ 77% Y-o-Y

### Contribution profit

Contribution profit (defined as Revenue from operations less direct costs) **improved to 30.1% of revenue** in FY 2022 from 12.9% in FY 2021.

# ₹1,498 Cr

▲ 313% Y-o-Y

### EBITDA (Before ESOP cost)

Improvement of 8% year-on-year. EBITDA margin improved to (31%) of revenues in FY 2022 from (59%) of revenues in FY 2021. **On track to achieve break-even by quarter ending September 2023**

# ₹(1,518) Cr

▲ ₹137 Cr Y-o-Y

### Average Monthly Transacting Users

Average MTU (number of unique users with at least one successful payments transaction in a month), has grown by 35% Y-o-Y to 60.8 million for the period FY 2022

# 60.8 Mn

▲ 35% growth Y-o-Y

### Loans Distributed through Paytm

All lending offerings have scaled up significantly over the last year, seeing increased adoption by users. Number of loans at 15.2 million, grew 478% Y-o-Y

# ₹7,623 Cr

▲ 441% growth Y-o-Y



## About Paytm

Paytm is India's payment Super App offering consumers and merchants most comprehensive payment services. Pioneer of mobile QR payments revolution in India, Paytm's mission is to bring half a billion Indians into the mainstream economy through technology-led financial Services. Paytm enables commerce for small merchants and distributes various financial services offerings to its consumers and merchants in partnership with financial institutions.



## Notes and Disclaimers for Earnings Release

By reading this release you agree to be bound as follows:

This earnings release is prepared by One 97 Communications Limited ("Company") and is for information purposes only without regards to specific objectives, financial situations or needs of any -particular person and is not and nothing in it shall be construed as an invitation, offer, solicitation, recommendation or advertisement in respect of the purchase or sale of any securities of the Company or any affiliates in any jurisdiction or as an inducement to enter into investment activity and no part of it shall form the basis of or be relied upon in connection with any contract or commitment or investment decision whatsoever. This earnings release does not take into account, nor does it provide any tax, legal or investment advice or opinion regarding the specific investment objectives or financial situation of any person. Before acting on any information you should consider the appropriateness of the information having regard to these matters, and in particular, you should seek independent financial advice. This earnings release and its contents are confidential and proprietary to the Company and/or its affiliates and no part of it or its subject matter be used, reproduced, copied, distributed, shared, retransmitted, summarized or disseminated, directly or indirectly, to any other person or published in whole or in part for any purpose, in any manner whatsoever.

The information contained in this earnings release is a general background information of the Company and there is no representation that all information relating to the context has been taken care of in the earnings release. We do not assume responsibility to publicly amend, modify or revise any information contained in this earnings release on the basis of any subsequent development, information or events, or otherwise. This earnings release includes certain statements that are, or may be deemed to be, "forward-looking statements" and relate to the Company and its financial position, business strategy, events and courses of action.

Forward-looking statements and financial projections are based on the opinions and estimates of management as on the date such statements are made and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking statements and financial projections. Representative examples of factors that could affect the accuracy of forward looking statements include (without limitation) the condition of and changes in India's political and economic status, government policies, applicable laws, international and domestic events having a bearing on Company's business, and such other factors beyond our control.

Forward-looking statements and financial projections include, among other things, statements about: our expectations regarding our transaction volumes, expenses, sales and operations; our future merchant and consumer concentration; our anticipated cash needs, our estimates regarding our capital requirements, our need for additional financing; our ability to anticipate the future needs of our merchants and consumers; our plans for future products and enhancements of existing products; our future growth strategy and growth rate; our future intellectual property; and our anticipated trends and challenges in the markets in which we operate. Forward-looking statements are not guarantees of future performance including those relating to general business plans and strategy, future outlook and growth prospects, and future developments in its businesses and its competitive and regulatory environment. These forward-looking statements represent only the Company's current intentions, beliefs or expectations, and no representation, warranty or undertaking, express or implied, is made or assurance given that such statements, views, projections or forecasts in the earnings release, if any, are correct or that any objectives specified herein will be achieved.

## Notes and Disclaimers for Earnings Release

We, or any of our affiliates, shareholders, directors, employees, or advisors, as such, make no representations or warranties, express or implied, as to, and do not accept any responsibility or liability with respect to, the fairness, accuracy, completeness or correctness of any information or opinions contained herein and accept no liability whatsoever for any loss, howsoever, arising from any use or reliance on this earnings release or its contents or otherwise arising in connection therewith. The information contained herein is subject to change without any obligation to notify any person of such revisions or change and past performance is not indicative of future results.

This document has not been and will not be reviewed or approved by a regulatory authority in India or by any stock exchange in India. No rights or obligations of any nature are created or shall be deemed to be created by the contents of this earnings release.

## Use of Operating Metrics

The operating metrics reported in this earnings release 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.

## 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)	Unique users with at least one successful transaction in a particular calendar month
GMV / MTU	Total GMV for the period divided by average MTU for the period
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



## Non-GAAP Financial Measures

In addition to our results determined in accordance with Ind AS, we believe the following Non-GAAP measures are useful to investors in evaluating our operating performance. We use the following Non-GAAP financial information to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that Non-GAAP financial information, when taken collectively with financial measures prepared in accordance with Ind AS, may be helpful to investors because it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance. However, our management does not consider these Non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with Ind AS.

Non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with Ind AS. Non-GAAP financial information may be different from similarly-titled Non-GAAP measures used by other companies. The principal limitation of these Non-GAAP financial measures is that they exclude significant expenses and income that are required by IndAS to be recorded in our financial statements, as further detailed below. In addition, they are subject to inherent limitations as they reflect the exercise of judgment by management about which expenses and income are excluded or included in determining these Non-GAAP financial measures. A reconciliation is provided below for each Non-GAAP financial measure to the most directly comparable financial measure prepared in accordance with Ind AS. Investors are encouraged to review the related Ind AS financial measures and the reconciliation of Non-GAAP financial measures to their most directly comparable Ind AS financial measures included below and to not rely on any single financial measure to evaluate our business.

## Q4 FY 2022 Earnings Call Information

Paytm will hold its earnings conference call for shareholders, investors and analysts on **Saturday, May 21, 2022 from 15:00-16:15 Indian Standard Time**, to discuss the financial results of the Company for the quarter and year ended March 31, 2022.

Please see below the mandatory pre-registration link for attending the earnings call:

[https://paytm.zoom.us/webinar/register/WN\\_WoJQI7AXQbC1akgluycr4g](https://paytm.zoom.us/webinar/register/WN_WoJQI7AXQbC1akgluycr4g)

The presentation, conference call recording and the transcript will be made available on the Company website subsequently. This disclosure is also hosted on the Company's website viz. [www.paytm.com](http://www.paytm.com).