



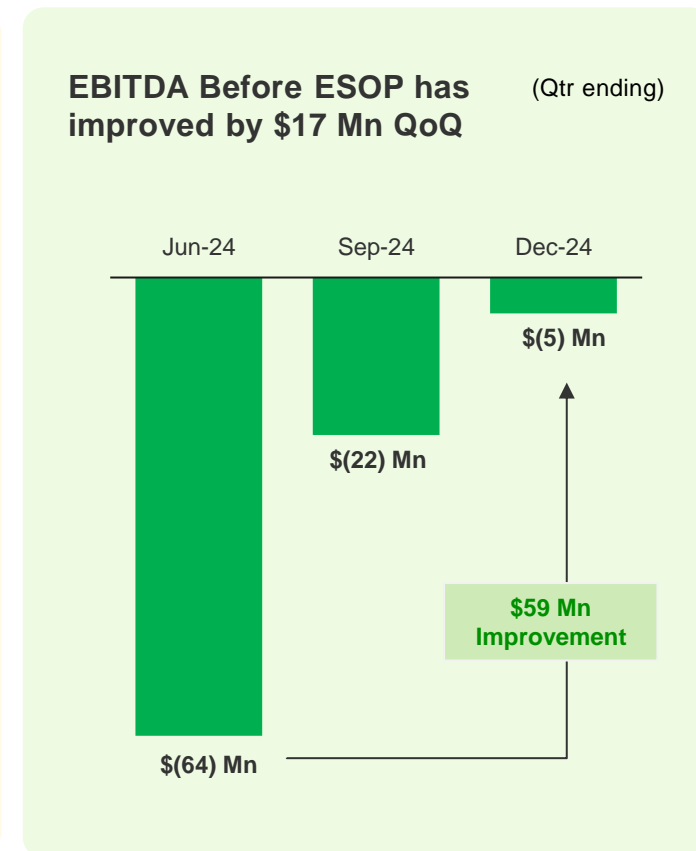
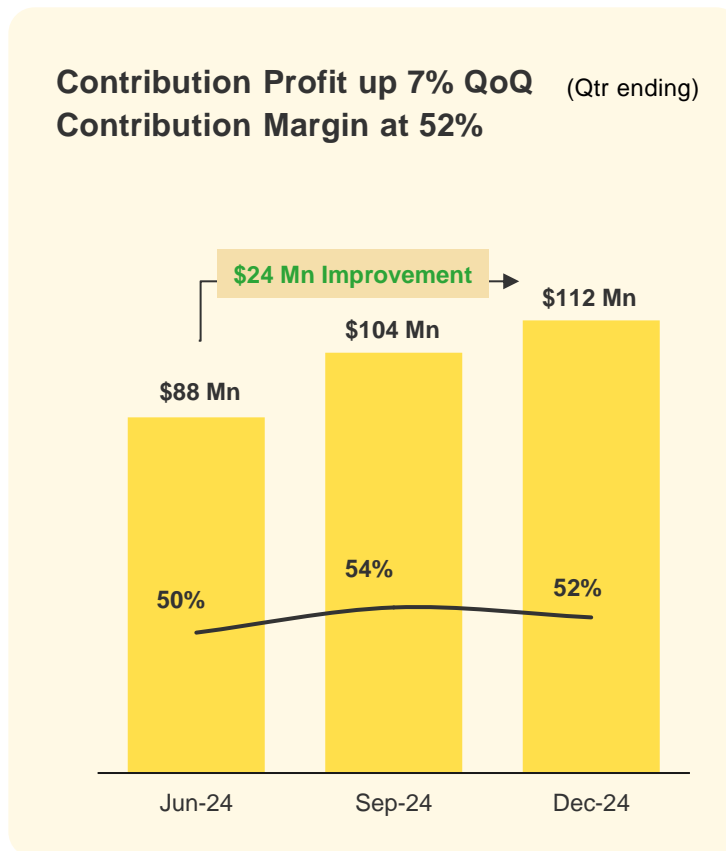
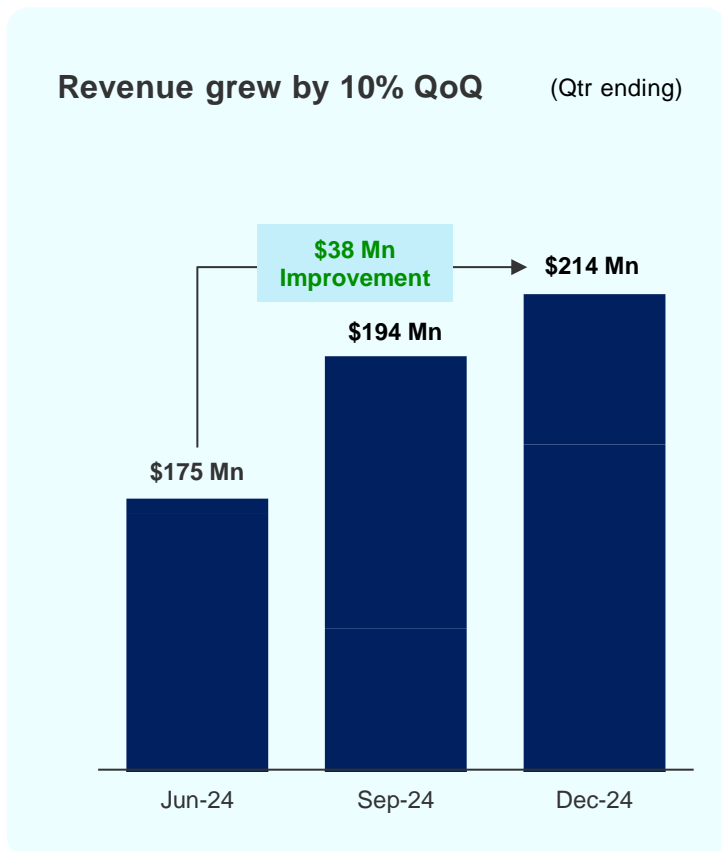
Earnings Presentation

For the quarter ending December 2024

(USD)



Revenue jumps to \$214 Mn on Growth in Payments and Financial Services; EBITDA Before ESOP and PAT improved by \$17 Mn and \$24 Mn QoQ*, respectively



* after excluding exceptional gains on sale of entertainment business, of \$157 Mn in Q2 FY 2025

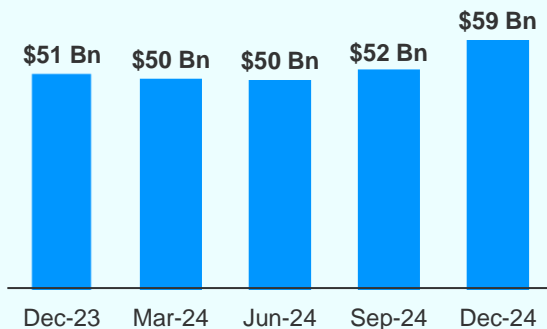
Payment Services: Festive season accelerates GMV; Gross device addition remains strong



Payment Processing Margin

= Gross fees charged to the merchant – Payment processing charges

Gross Merchandise Volume - Continued business (Qtr ending)

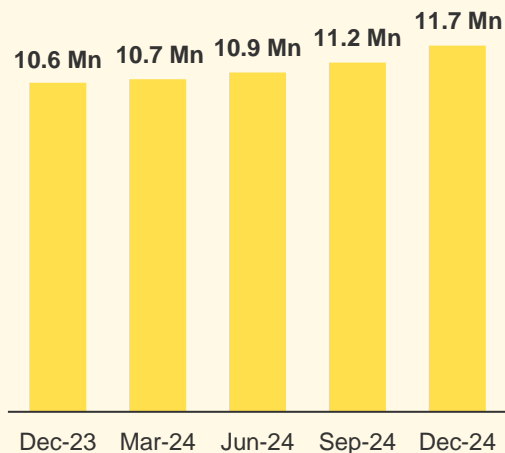


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Subscription Revenue

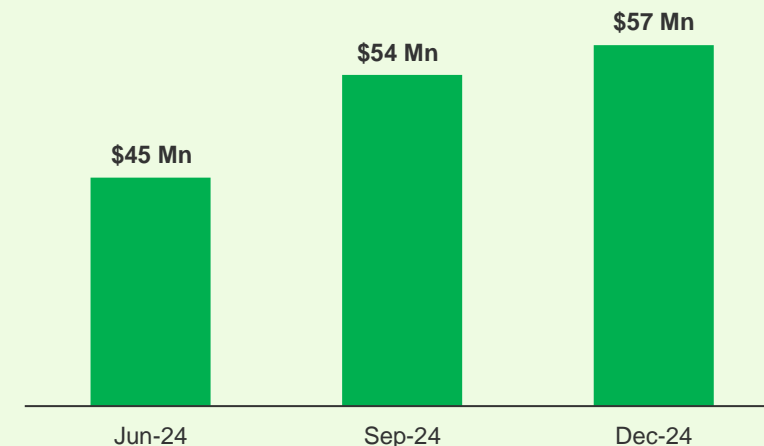
= Charges merchant pays for various monthly services, including devices

No. of Subscription Paying Merchants (Qtr ending)



=

Net Payment Margin without UPI incentive (Qtr ending)



- Payment processing margin was above 3bps guidance and is expected to be 5-6 bps (including UPI incentives) for FY 2025
- New device sign ups comfortably above January 2024 run-rate
- Continuing strategy of picking up inactive devices and redeploying them after refurbishment for next 1-2 quarters
- Refurbishment costs are much lower than capex for new device

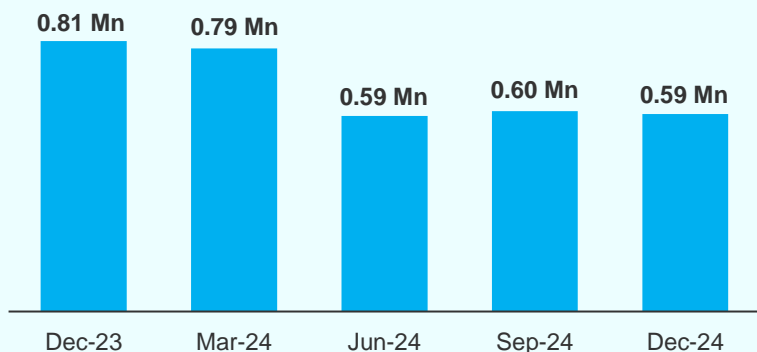
Financial Services: Low penetration offers significant opportunity



Revenue from Financial Services (Qtr ending)



Number of key financial services customers (Qtr ending)



Revenue growth led by higher share of merchant loans, trail revenue from DLG portfolio, and better collection efficiencies

- Continue to increase number of partners as we see strong interest from various financial institutions

Loan Distribution:

- Strong interest of lenders in DLG model, which will help to increase disbursements with existing and new partners
- DLG portfolio outstanding AUM of \$496 Mn versus \$193 Mn in last quarter

Merchant Loan:

- Continue to see better collection efficiencies
- Distributed of \$448 Mn, versus \$386 Mn in Q2 FY 2025 with a significant portion under DLG Model

Personal Loan:

- Reduction in disbursements (\$204 Mn versus \$231 Mn in Q2 FY 2025) on account of tightening risk policies by lenders
- Distribution and collection model restarted to a very tight cohort of customers

Other financial services

- Continue to build equity broking, insurance and mutual fund distribution business

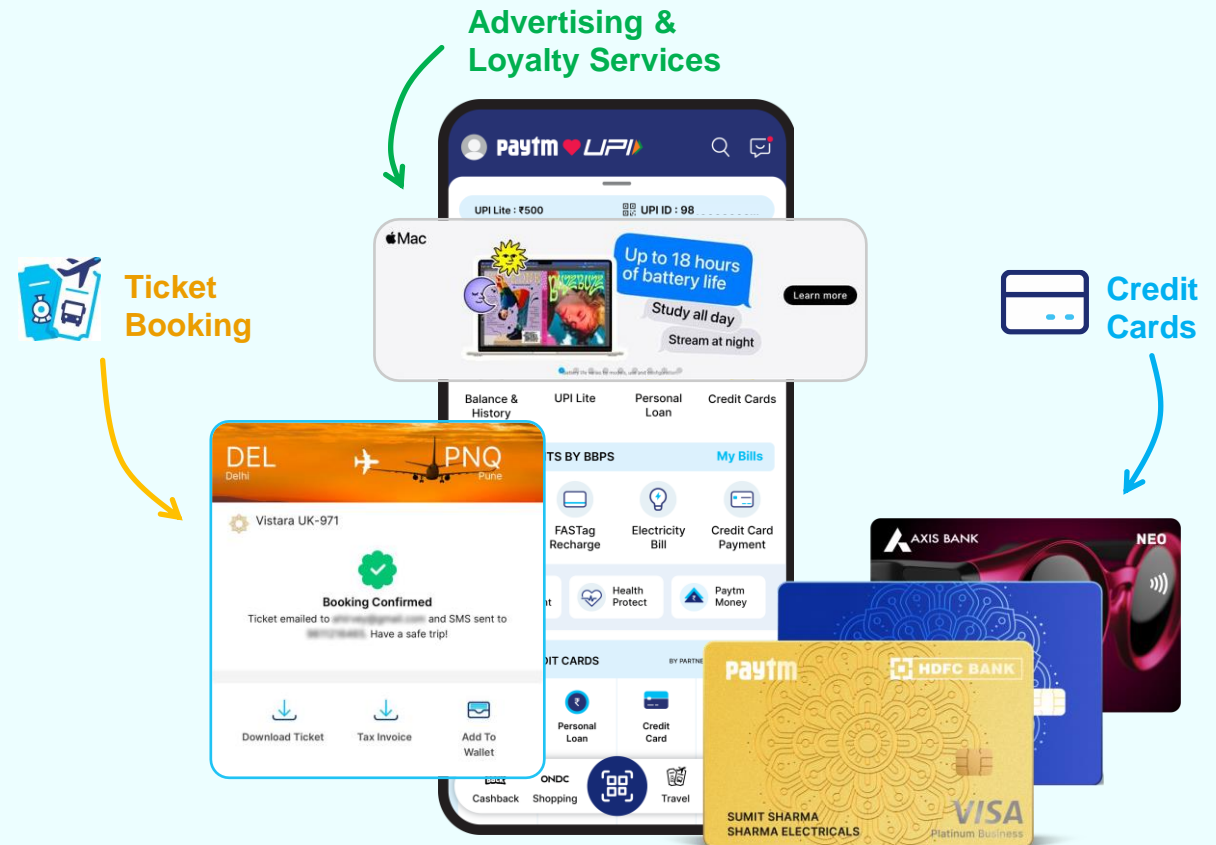
Marketing Services: Additional monetization from merchants



Includes advertising, travel ticketing, credit card distribution, and deals & gift vouchers

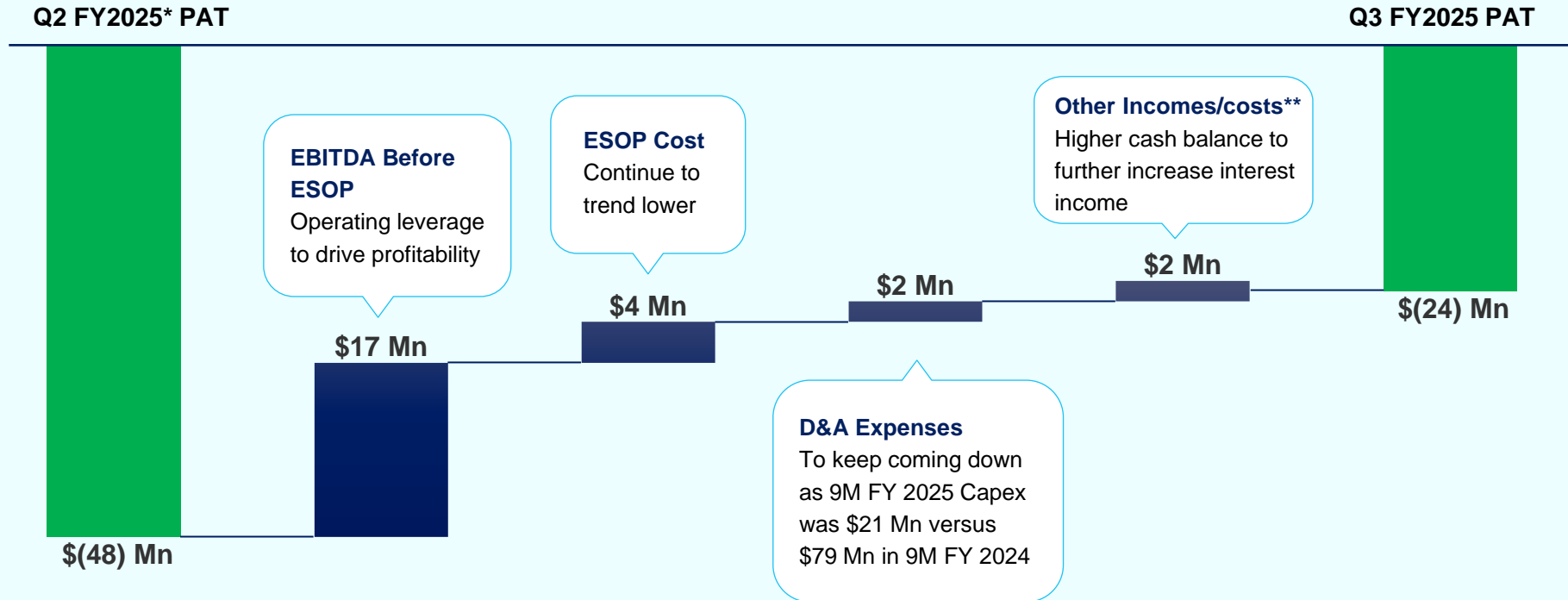
Marketing Services revenue was flat at \$31 Mn in Q3 FY2025 (excluding entertainment ticketing business); Increase in MTU is key drivers for revenue growth

- GMV for ticketing, deals & gift vouchers, etc., was \$266 Mn, higher QoQ after excluding entertainment ticketing business
- Credit card distribution is slow due to cautious stance of issuers; 1.39 Mn activated credit cards, compared to 1.01 Mn last year



Multiple factors aiding PAT Improvement

QoQ PAT improvement walk



* after excluding exceptional gains on sale of entertainment business, of \$157 Mn in Q2 FY 2025

** Other income/ costs include Other income, Finance costs, Share of profit / (loss) of associates / joint ventures, Income Tax expense

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

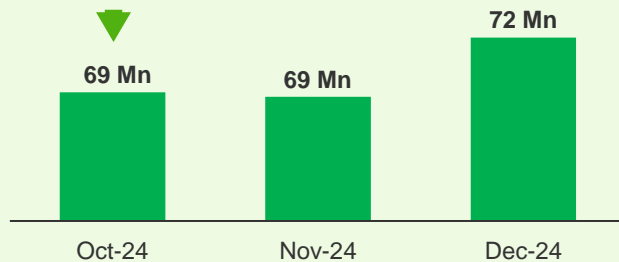
Customer acquisition

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

Monthly Transacting Users

NPCI Approval for UPI onboarding

(For the month)



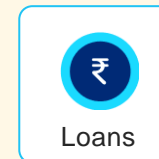
Merchant payment innovations

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



Financial Services Distribution

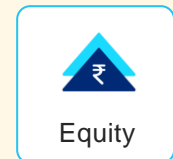
Increase high margin financial services revenue by increasing penetration of financial services distribution



Loans



Insurance



Equity



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 | 0.18% | 0.19% | (1) 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 | 117 | 126 | 152 | (38)% | (17)% | 395 | 443 | (23)% |
| Employee cost (excl ESOPs) | 12 | 15 | 20 | (29)% | (6)% | 47 | 62 | (19)% |
| Software, cloud and data center | 67 | 72 | 94 | (9)% | (3)% | 221 | 274 | 3% |
| Other indirect expenses | 18 | 18 | 20 | 9% | (9)% | 58 | 56 | 33% |
| Total indirect expenses | 20 | 21 | 18 | (23)% | (7)% | 68 | 51 | (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)