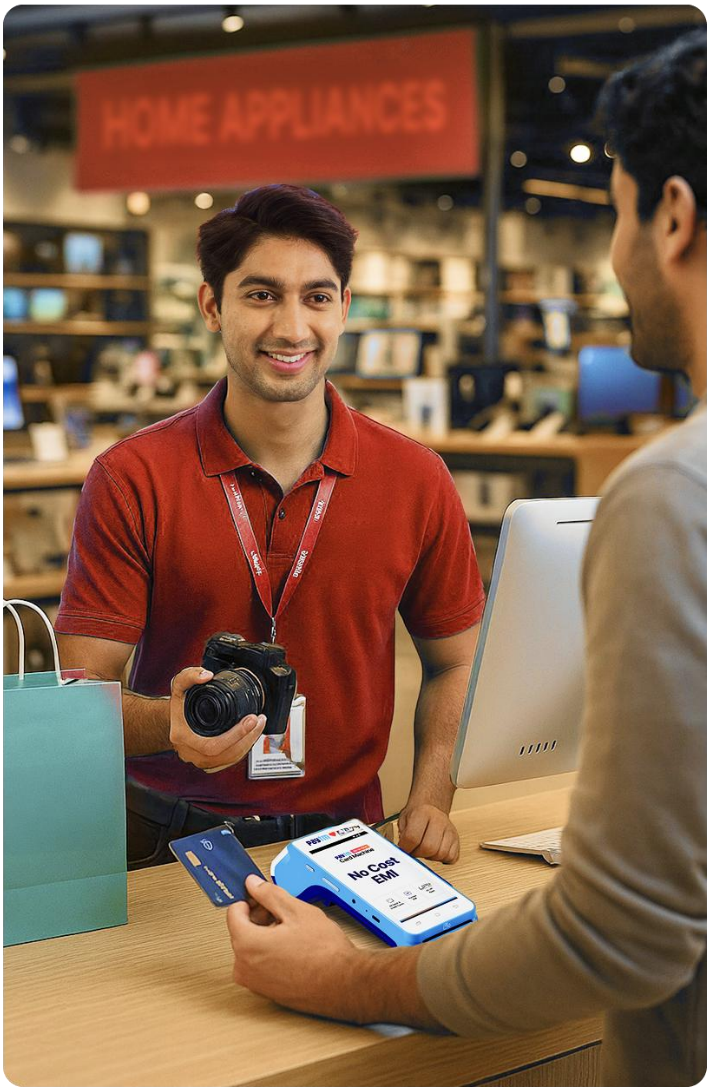
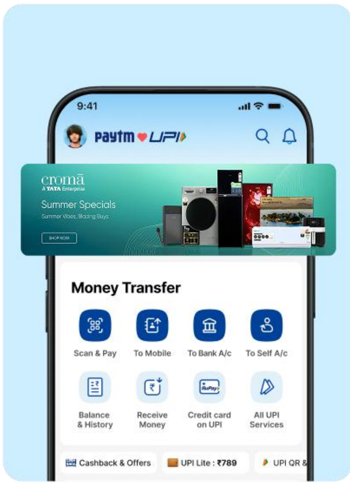
Paytm

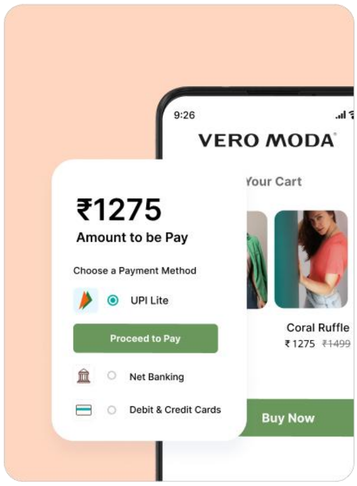
Earnings Release

For the quarter ending June 2025

22nd July 2025







Paytm ♥ AI

India's Merchant Payment Leader serving MSMEs and Enterprises

Paytm Solidifies Unrivalled Leadership in India's Merchant Payment Business, turns Profitable with ₹123 Cr PAT in Q1 FY26

Company achieves milestone of profitability across all key financial metrics, including EBITDA and PAT, and expects further improvement in profitability

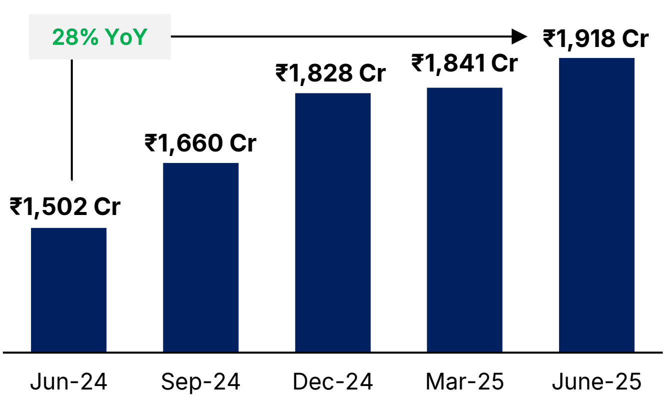
Financial Highlights for Q1 FY 2026:

- Operating revenue grew by 28% YoY to ₹1,918 Cr, due to increase in number of subscription merchants, higher GMV and growth in revenues from distribution of financial services
- Contribution profit at ₹1,151 Cr (up 52% YoY), with a contribution margin of 60% (up 10 percentage points YoY), driven by improved net payment revenue, higher share of distribution of financial services revenue, and reduction in direct expenses
- EBITDA and PAT turned profitable at ₹72 Cr (margin of 4%) and ₹123 Cr respectively, demonstrating AI-led operating leverage, disciplined cost structure and higher other income
- Cash balance of ₹12,872 Cr, providing capital flexibility to expand merchant payments, distribution of financial services, and AI-led innovations

Business Highlights:

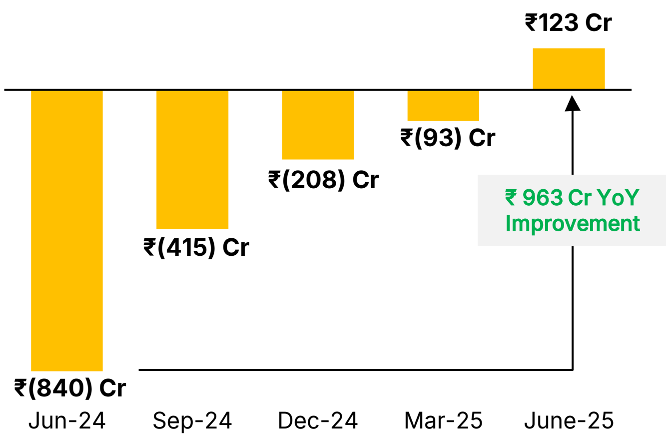
- Net payment revenue was up 38% YoY to ₹529 Cr, led by growth in high quality subscription merchants and increase in payment processing margins
- Distribution of financial services revenue increased by 100% YoY to ₹561 Cr, driven by growth in merchant loans, trail revenue from DLG portfolio, and improved collection performance
- Undisputed leadership in merchant payments continues with 1.30 Cr merchant device subscriptions across MSMEs and enterprise payment merchants

Revenue Growth Momentum Continues



(Qtr ending)

Achieved PAT Profitability



(Qtr ending)

For like-to-like comparison, Revenue and PAT excludes one-time items as below:
1. ₹70 Cr of UPI incentive in Q4 FY 2025, 2. Gain from sale of entertainment ticketing business of ₹1,345 Cr in Q2 FY 2025 3. One-time exceptional charge of ₹522 Cr towards acceleration of ESOP expense and other impairments in Q4 FY 2025

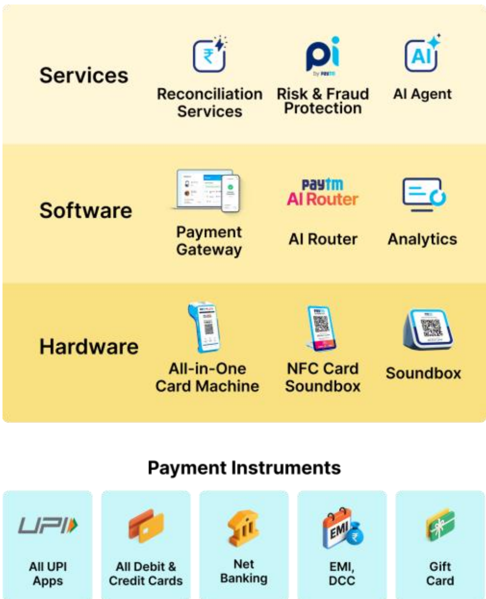
Paytm is India's Full Stack Merchant Payment Leader serving MSMEs and Enterprise Payment Merchants

Over the past 15 years, Paytm has built India's first AI powered omni-channel payment platform and pioneered products to cater to all merchants. Since our inception, we are the only platform which provides an end-to-end seamless payments tech stack including hardware, software and services along with business specific solutions. We are proud to have contributed towards the country's progress on digital infrastructure and financial inclusion.

Our technology investments combined with the largest fleet on the street has enabled us to build the largest merchant acquiring platform. Through this platform, we have deepened market penetration, including in tier-2 and tier-3 cities, and reinforced our leadership by delivering best-in-class products and service to India's merchant ecosystem.

Our subscription merchants, who pay for devices and services, are at an all time high at 1.30 crores. We see potential of over 10 Cr merchants who will accept payments and we believe that, over a period of time, 40-50% of these merchants will need subscription services for managing their business needs. We are uniquely positioned to capitalize on the vast and growing market, especially as we have strategically identified monetisation opportunities across the merchant ecosystem.

Offers AI-powered Full Technology Stack



Across Enterprise Merchants and MSMEs

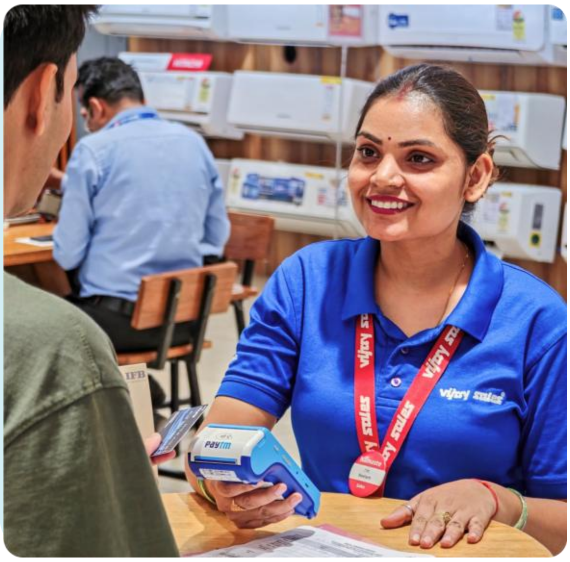
Winning Enterprise Merchants with AI Intelligence

We have a leading position in offering payment platforms to enterprise merchants, through our online payment gateway, as well as All-in-One POS (EDC terminals for card and QR acceptance) which supports all payment methods with industry leading success rates. We have also pioneered and scaled products like Card Soundbox and Dynamic QR, to address market gaps that existed before our entry into this segment. Our monetization is enhanced through affordability offerings (such as EMI), DCC, along with commerce services solutions including advertising and deals via the Paytm app. We are also investing to expand offerings, including issuance products solutions, positioning us as a unique end-to-end partner offering omni-channel payments, financing, and commerce services.

In enterprise offline merchants, there are 2 types of merchant relationships. 1) POS provider model, where the bank owns the merchant relationship, with the payment company providing the hardware, and 2) Payment gateway model, where the payment company owns the merchant relationship and the bank is used for fulfilment. The payment gateway model enables payment players to better identify and cater to specific merchant needs, improve retention and drive superior lifetime value. Paytm has primarily focused on the full stack payment gateway model, wherein we aggregate all major payment instruments, negotiate rates with our merchant partners as well as acquiring banks, provide cutting-edge hardware and technology, and earn payment processing margins on every transaction in addition to the subscription fees. We have also started integrating with multiple brands and have tied-up with banks under the POS provider model.

Our model outperforms traditional capex-led POS provider model, and we have become a major player in offline enterprise payments within 6 years of starting.

AI is at the heart of it all. From real-time onboarding to fraud detection, churn prediction, and personalized cross-sell, our intelligent systems deliver merchant-specific insights and operational excellence, making Paytm the platform of choice for India’s enterprise merchants.



From Cash to Paytm: Digitising India’s MSME Sector

We continue to drive financial inclusion for India’s MSME sector, which has traditionally relied on cash and had limited access to digital payments. Our zero-cost QR solution has enabled over 4 crore MSME merchants to join the digital economy. Building on this, our Soundbox innovation equipped with real-time voice payments confirmations has increased merchant engagement and created a growing subscription-based revenue stream. The adoption of these devices has enhanced merchant trust, loyalty, improved retention, and boosted transaction volumes. Additionally, our partnerships with financial institutions have enabled tailored lending products aligned with MSME cashflows, advancing the government's vision of a digital economy and financial inclusion.

Merchant Payments-led Model, Offers Large Scale Monetisation Opportunity

Our payments business serves as a core merchant acquisition engine, operated at break-even, with significant monetisation potential in payments value-added services, merchant loan distribution and enabling commerce through marketing services. These monetisation levers, particularly merchant loan distribution, offers significant profitability, while giving us the financial ability to continue to invest in the merchant ecosystem.

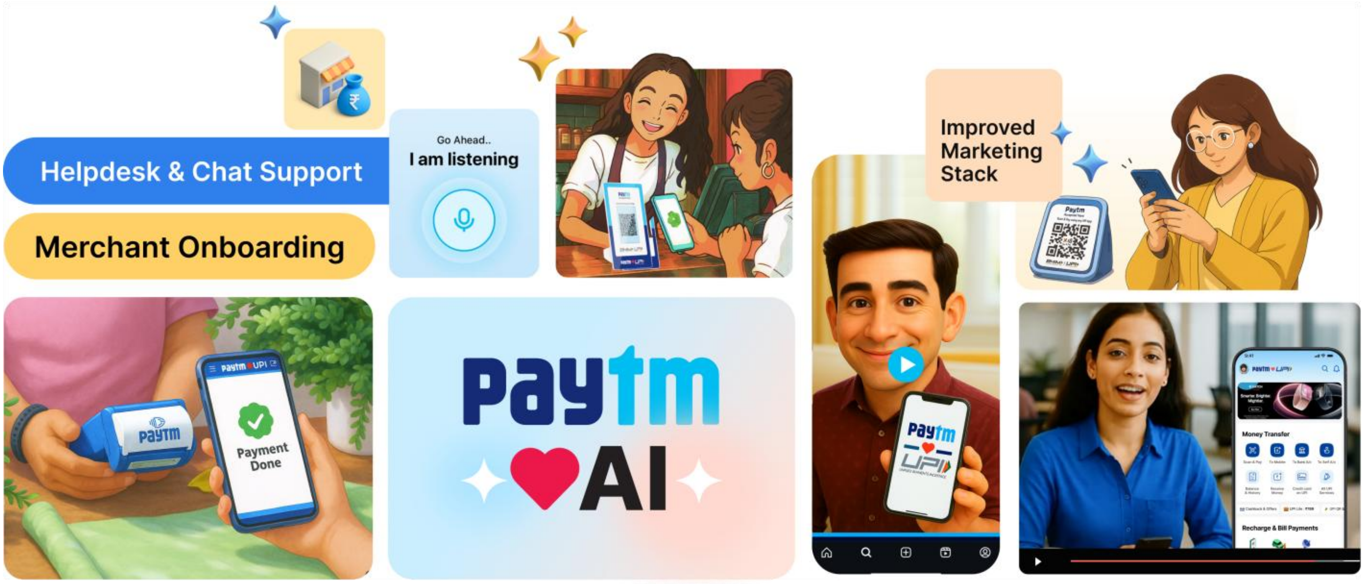
Paytm’s in-house AI platforms such as Paytm ARMS (merchant lifecycle insights platform) and Paytm Pi (fraud and risk detection system) automate merchant onboarding, fraud detection, segmentation and pricing optimization. This creates a high-retention flywheel and lifetime merchant value that is unmatched by competitors.

Driving Growth and Efficiency through Embedded AI Capabilities

We were early and aggressive adopters of AI, and now use its potential of assimilation into each product and service journey. True to our DNA, we use state of the art AI tools, and build AI-first platforms to get deep contextual data insights and drive enhancements and efficiencies in our business. Across the organisation, our workflow is moving towards AI led systems to become machine first, supervised by humans. This has accelerated product development, enhanced risk and fraud management, and is helping us deliver superior products faster, resulting in elevated customer experience which will fuel our next phase of growth

Driving efficiency through Machine first systems, supervised by humans:

- **Merchant Onboarding -** AI led quality checks for onboarding and profile updates (MCC Deduction from Shop Photo, Name Match Algo, OCR). This approach has significantly contributed to growth of high quality device merchants
- **Transaction Monitoring -** Our proprietary, real-time fraud and risk detection engine continuously monitors merchant activity to flag anomalies and predict chargeback risks, including scenarios such as HTR (High Ticket Refund). This ensures a proactive stance on transactional integrity and reduces downstream risk
- **Customer Delight -** We endeavour to provide end-to-end resolution of merchant and consumer queries through 24x7, conversational AI agents delivering highly personalised, contextual assistance via text and voice across 11+ languages, ensuring a consistently high satisfaction experience across our ecosystem



Creating AI-led incremental revenue opportunities:

- **Enhanced cross-sell -** Using AI-driven insights via our ‘Paytm ARMS’ platform, we map the right product to the right merchant. Through providing real-time, data-driven merchant profiling to our partners, optimising approval rates and pricing decisions, we are able to identify high-transacting merchant prospects, improve retention while boosting support efficiency
- **Improved Marketing Stack for Customers -** Our AI-powered marketing infrastructure enables sharper audience segmentation and targeting, reducing customer acquisition costs and improving ROI. With multilingual support, we also unlock access to a broader user base across geographies and segments
- **Improved Asset Quality -** Advanced AI models predict merchant churn and delinquency with high precision. Through micro-cohorting and early warning systems, we enable timely, segment-specific interventions, leading to improved asset quality for partners and increased collection bonuses for us
- **Additional customer features to improve product funnels -** We've enhanced the app with features like an AI Smart Filter for travel ticketing, making navigation and product discovery easier, and an AI-led Portfolio Analyzer for mutual funds and equities, offering performance ranking and benchmarking to improve user experience and funnel conversion

Key Focus Areas

- **Continue to Lead India's Enterprise and MSME Merchants:** We lead with first-to-market payment innovations including QR, Soundbox, All-in-One POS card machines. We are focused on scaling our leadership across small and large merchants by deepening penetration of these products and services
- **Expanding distribution of credit:** Through increase in number of partners, introduction and scaling of new products, and further enhancing collections performance using AI
- **AI-First in every customer product and internal process:** AI-led onboarding, fraud detection, and retention across products to drive scalable monetisation and customer experience
- **Consumer Acquisition:** Product led innovation is showing early signs of success, through higher retention and market share gains despite low marketing spends. We are committed to continue gaining market share
- **International Expansion:** Our technology led merchant payments and financial services distribution model has the potential for expansion in international markets. For additional long-term growth, we are exploring opportunities in select international geographies, which will start showing results after 3 years

Financial Update for quarter ending June 2025 (Q1 FY 2026)

Payment Services: Consolidating leadership in merchant payments

In Q1 FY 2025, Payment Services revenue (including other operating revenue) was up 23% YoY at ₹1,110 Cr. Net payment revenue was up 38% YoY at ₹529 Cr due to increase in payment processing margin and device additions. Net payment revenue is comprised of:

1. Payment Processing Margin:

In Q1 FY 2026, GMV grew by 27% YoY to ₹5.39 Lakh Cr In this quarter, Payment processing margin was comfortably above the guided 3bps margin.

2. Subscription revenues:

As of June 2025, merchant subscriptions were at an all-time high of 1.30 Cr, an increase of 21 lakh YoY, on the back of high quality devices and superior service network.

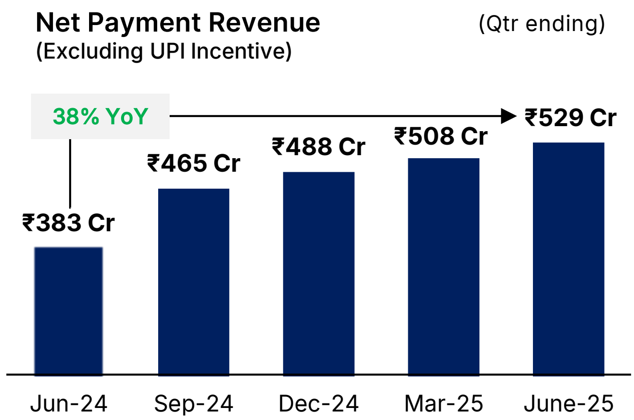
To further strengthen tier-1 market position and expand in tier-2 and tier-3 cities, we are investing in expanding our sales network (sales people costs are up 19% YoY). At the same time, we continue to enhance operational efficiencies by lowering device costs, ramping up the refurbishment of old devices, and increasing sales team productivity and the same is reflected in lower capex despite significant device growth over the last few years.

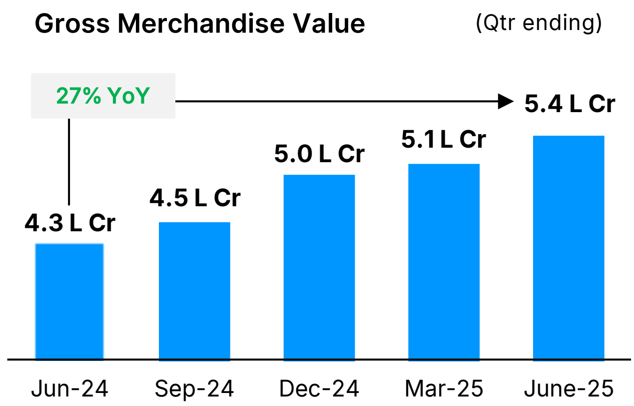
These improvements have allowed us to pass on the benefits to our most engaged merchants, resulting in stronger retention, increased market share and a larger loan distribution funnel, which is leading to overall higher merchant monetization.

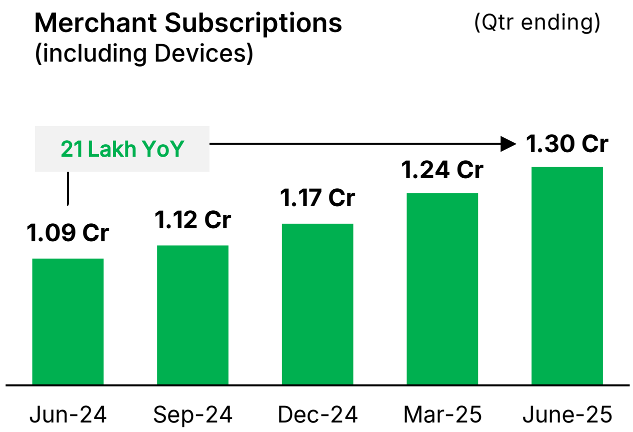
Consistent growth in Monthly Transacting Users (MTU)

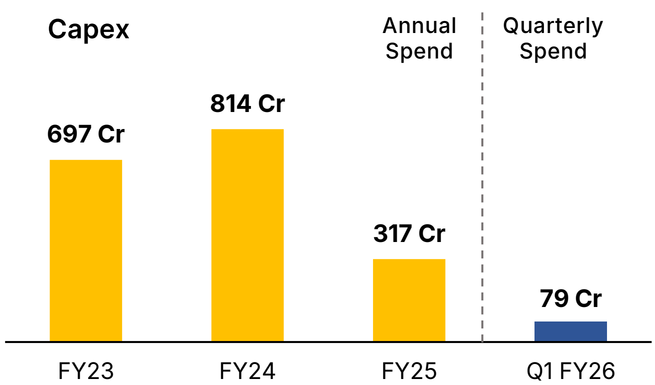
In Q1 FY 2026, our average MTU has reached 7.4 Cr. We will continue to drive MTU growth with focus on delivering superior products to enhance consumer retention.

We are seeing early signs of user growth and retention, resulting in market share gains for the past few months. This will help us to improve monetization (mainly from pick-up in personal loans, advertising and equity broking).



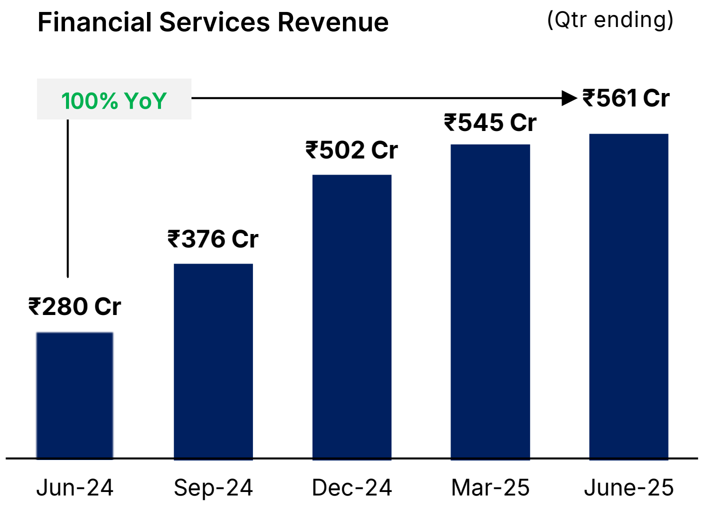






Distribution of Financial Services: Low penetration offers significant opportunity

In Q1 FY 2026, distribution of financial services revenue grew 100% YoY to ₹561 Cr, driven by continued expansion in merchant loans, trail revenue from Default Loss Guarantee (DLG) portfolio, and improved asset quality our partners are experiencing. This has led to higher disbursements from existing financial institutions and continued interest from new financial institutions to partner with us.



Key Financial Services Customers (# Lakh)

Jun-24	Sep-24	Dec-24	Mar-25	June-25
5.9	6.0	5.9	5.5	5.6

In Q1 FY 2026, 5.6 Lakh key financial services customers (consumers and merchants) availed loans, equity broking, and insurance, through our platform. We have witnessed significant revenue growth in recent quarters despite the financial services customer count being range-bound, due to the personal loan credit cycle and slowdown in our equity broking business (Paytm Money) resulting from capital market regulatory adjustments. We have enhanced our focus in Paytm Money, on both mutual funds distribution and equity broking. Looking ahead, we anticipate growth in financial services customers within both loan distribution and Paytm Money.

During the quarter, we continued to see robust growth in merchant loan disbursements, in line with erstwhile trends. The majority of merchant loans were distributed under the non-DLG model, with more than 50% of loans distributed to repeat borrowers, reflecting strong product-market fit. For personal loans, based on the current trends, there are early signs of recovery in the credit cycle, leading to higher disbursements sequentially led by growth from both existing and new partners that have been added over the last year. We expect this trend to continue during the year.

In a significant development starting this quarter (as reported in the stock exchange filing), our largest lending partner is doing disbursements under the non-DLG model as against DLG model in the previous quarters. The disbursement growth through this lending partner continues to increase quarter on quarter, even as the outstanding overall DLG partners' AUM has reduced from ₹6,324 Cr (March 31, 2025) to ₹4,444 Cr (June 30, 2025).

Going forward, we expect a higher share of non-DLG disbursements, which reduces upfront DLG costs and also lifetime revenue by corresponding amount. Hence, distribution of financial services revenue growth will be slower sequentially as compared to the disbursements growth (we saw revenue growth higher than disbursement growth since start of DLG model in Q2 FY 2025).

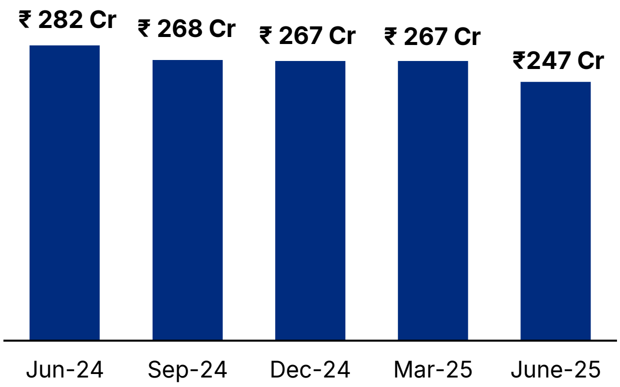
Marketing Services: Driving additional monetization from Merchants

We offer merchants and financial institutions to market their services on our Apps. Marketing Services portfolio primarily includes advertising, marketing of financial services, sale of deals, gift vouchers and travel tickets.

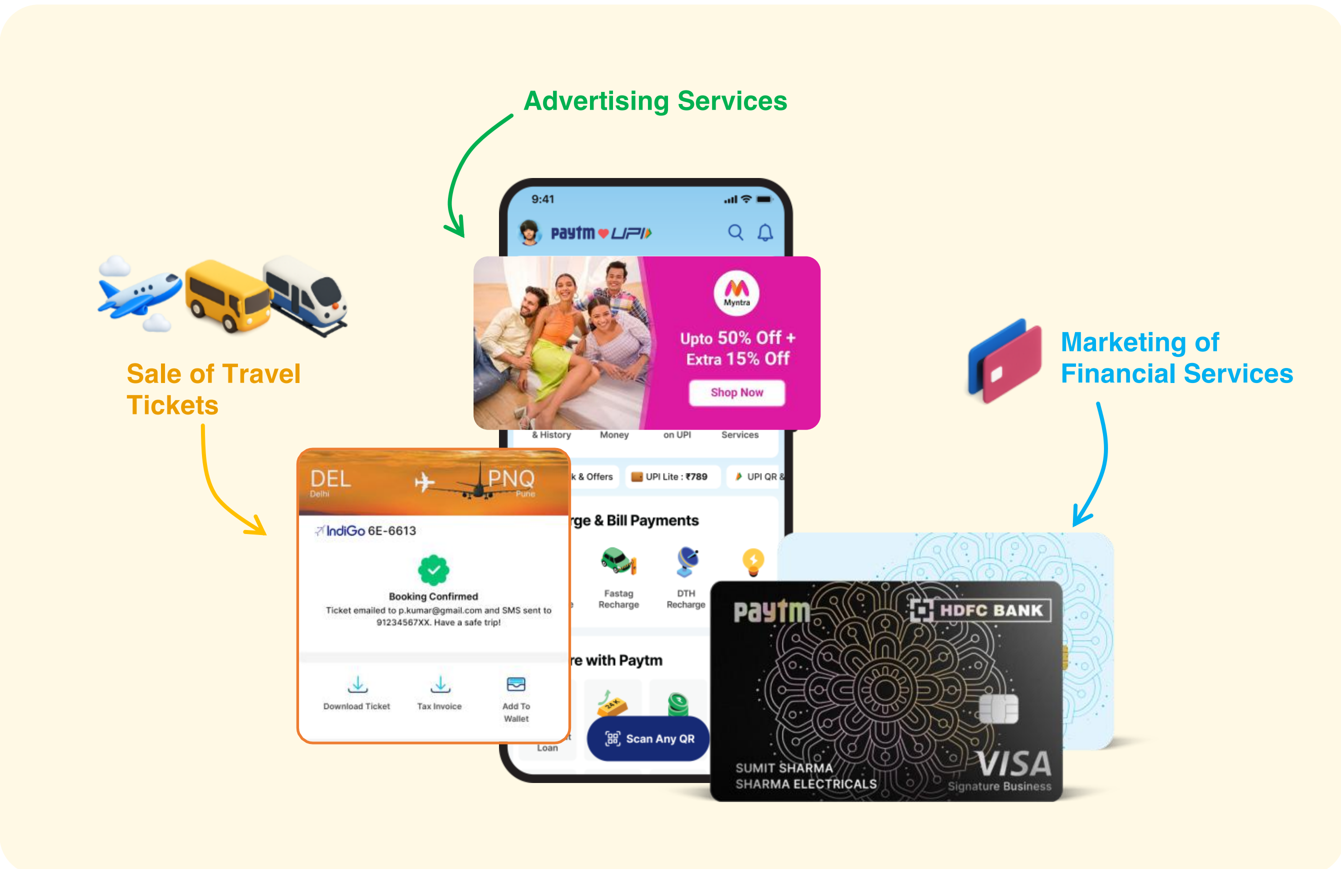
In Q1 FY 2026, Marketing Services revenue was ₹247 Cr. On a like-to-like basis, after adjusting for sale of the entertainment ticketing business in Q2 FY 2025, the revenue was down 12% YoY on account of lower MTU.

- In our advertising business, we are focusing on delivering higher ROI for advertisers by using AI for sharper customer cohorting, and deeper relationships with advertisers
- The GMV for ticketing, deals & gift vouchers, etc., was ₹2,087 Cr. There was a marginal QoQ decline in the travel segment, in line with the industry trend
- We have partnered with various financial institutions and offer various marketing services to them such as co-branded credit cards, advertising or selling their own products

Marketing Services Revenue (Qtr ending)



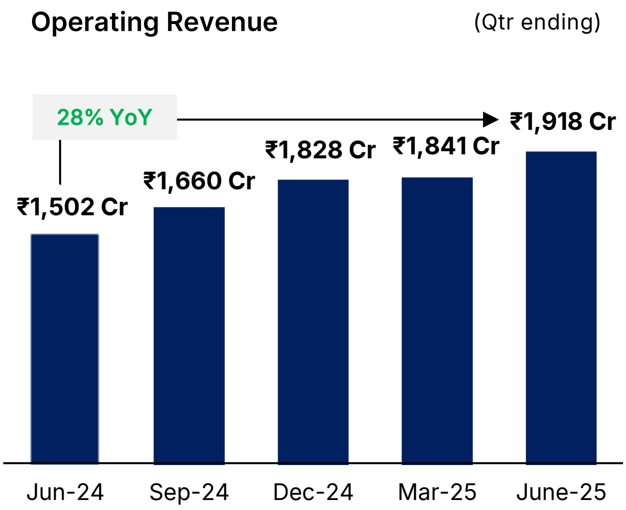
For like-to-like comparison, Marketing services revenue excludes revenue from entertainment ticketing business in Q1 and Q2 FY 2025 which was sold in Q2 FY2025



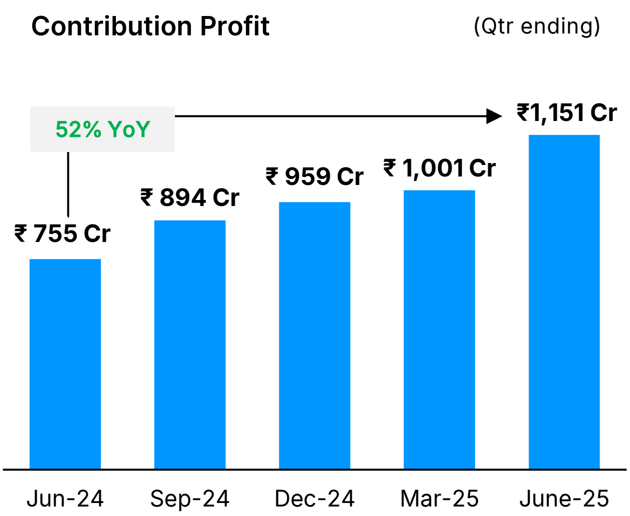
Revenue and Contribution Profit

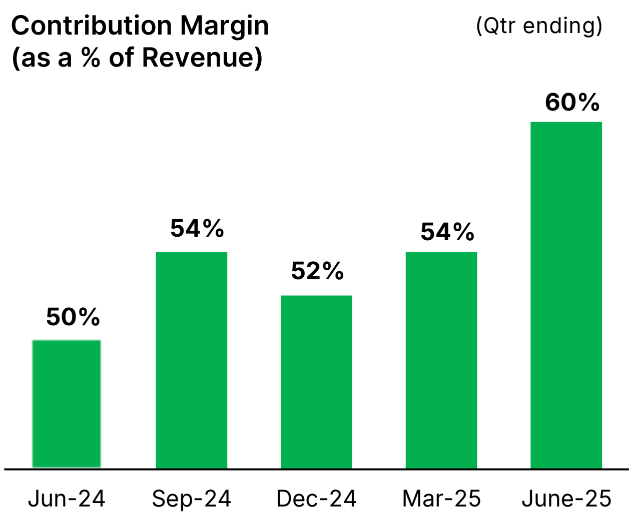
Operating revenue grew 28% YoY to ₹1,918 Cr (up 31% YoY on a like-to-like basis after adjusting for sale of entertainment ticketing business), driven by strong growth in number of merchant subscriptions, GMV and distribution of financial services revenue.

Contribution profit at ₹1,151 Cr (up 52% YoY), with a Contribution margin of 60%, an increase of 10 percentage point YoY, on account of higher share of distribution of financial services revenue, increase in net payment revenue and lower direct expenses. We expect the Contribution margin to be in the mid to high 50s percent for the year.



- Payment processing charges were higher by 12% YoY at ₹581 Cr, as compared to payment revenue (including operating revenue) growth of 23% YoY
- Promotional cashbacks and incentives was ₹37 Cr, versus ₹44 Cr in Q1 FY 2025
- Other direct expenses decreased by 20% YoY to ₹148 Cr, despite robust business growth and DLG costs. This is on account of reduction in collection cost for Personal Loans (lower AUM for collection business), sale of entertainment ticketing business and cost optimisation across businesses





Note: All numbers are excluding UPI Incentive

Indirect Expenses

Starting this quarter, we will be showing ESOP costs as part of employee costs under indirect expenses. In Q1 FY 2026, Indirect Expenses stood at ₹1,079 Cr. However for like-to-like comparison, we will show ESOP cost separately this quarter. Indirect Expenses (excluding ESOP cost), stood at ₹1,049 Cr, a decline of 19% YoY and an increase of 6% QoQ, including the impact of year-end appraisals. We expect indirect expenses as a percent of revenues to continue declining over time, despite investment for growth (even as there might be some quarterly volatility).

- Marketing costs for consumer acquisition dropped to ₹62 Cr, as we are prioritizing innovative payments and financial services products to increase retention. We are seeing early signs of success through market share gains despite low marketing spends
- Our sales employees cost, which focuses on expanding our merchant distribution network, has risen to ₹266 Cr (up 19% YoY), as we have increased market share and monetization, and are now expanding in tier-2 and tier-3 cities to further increase monetisation
- Our non-sales employee cost has declined by 28% YoY to ₹346 Cr as we continue to leverage AI for improving productivity across businesses. This includes the impact of year end appraisals, leading to modest 3% QoQ growth
- Software, cloud and data centre expenses declined by 8% YoY and increased by 15% QoQ to ₹168 Cr
- Other indirect expenses declined by 12% YoY and increased by 26% QoQ to ₹206 Cr (cost of refurbishment of devices is included in other indirect expenses). While there can be quarterly volatility, we expect other indirect expenses to grow slowly on an annual basis
- ESOP costs are significantly lower QoQ largely because of the voluntary surrender of ESOPs by our CEO. In our last quarterly earnings, we had given a guidance of ₹75-₹100 Cr; our ESOP costs this quarter are lower on account of new appraisal grants given late in the quarter (full quarterly cost impact of new grants will be seen from Q2 FY 2026). For FY 2026, we expect ESOP cost to be in the range of ₹250 Cr - ₹275 Cr.

As we are focusing on EBITDA and PAT as the primary profitability metric, and since the ESOP cost as a % of revenue has significantly reduced, the Employee cost will include ESOP cost going forward. Hence, we will be discontinuing ESOP cost schedule disclosure that was provided periodically.

Indirect Expenses

(Qtr ending)

(in ₹ Cr)	Jun-24	Sep-24	Dec-24	Mar-25	June-25	YoY Change (%)
Marketing	177	125	104	102	62	(65)%
Sales employees	224	228	227	243	266	19%
Non-sales employee costs	482	385	348	336	346	(28)%
Software & Cloud expenses	182	158	154	146	168	(8)%
Other indirect expenses	236	184	167	165	207	(12) %
Total Indirect Expenses (excl. ESOP Costs)	**1,301**	**1,080**	**1,000**	**991**	**1,049**	**(19)%**
ESOP Costs	247	218	182	169	30	**(88)%**
Total Indirect Expenses	**1,548**	**1,298**	**1,182**	**1,160**	**1,079**	**(30)%**

EBITDA and Profit After Tax

EBITDA turned profitable at ₹72 Cr (margin of 4%), demonstrating robust growth, improvement in margin and disciplined cost structure.

PAT was at ₹123 Cr, on account of improvement in EBITDA and higher other income (receipt of interest on tax refund in Q1 FY 2026). Other income will have a gradual impact on account of reinvestment of maturing investments at lower yields (100 bps repo rate cut earlier in the year).

Depreciation & Amortization

In Q1 FY 2026, D&A was at ₹166 Cr, a reduction of 7% YoY and increase of 11% QoQ. D&A is expected to be in the range of ₹500-₹600 Cr in FY 2026, lower than FY 2025 cost. Lower D&A YoY is largely on account of reduction in cost of devices and focus on refurbishment of devices (cost of refurbishment of devices is included in other indirect costs).

Cash Balance

Our cash balance is ₹12,872 Cr as of quarter ending June 2025, as compared to ₹8,108 Cr as of quarter ending June 2024. The above excludes Paytm Money Ltd (PML) customer funds & Merchant Funds in Escrow of ₹420 Cr & ₹2,832 Cr respectively for June 2025 quarter & ₹449 Cr & ₹2,995 Cr respectively for June 2024 quarter. Our cash balance has increased by ₹4,764 Cr in the last 1 year, primarily on account of monetization of two non-core assets (entertainment ticketing business, & our stock acquisition rights in PayPay) for ₹4,386 Cr.

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

Particulars (in ₹ Cr)	Jun-24	Sep-24	Dec-24	Mar-25	June-25
Cash and Bank Balances	5,322	4,928	4,451	4,539	4,561
Deposits with banks	3,486	3,617	6,997	7,018	6,478
Investments (Mutual Funds/T-Bills/CP/G-Sec/NCD/NBFC FDs)	2,743	4,540	4,143	4,046	5,086
Total Balances	**11,552**	**13,085**	**15,591**	**15,602**	**16,124**
Paytm Money Ltd (PML) customer funds	449	412	287	326	420
Merchant Funds in Escrow	2,995	2,674	2,454	2,467	2,832
Total Balances (excluding PML and merchant funds)	**8,108**	**9,999**	**12,850**	**12,809**	**12,872**

Regulatory Update

SEBI Show Cause Notice Settlement

This matter stands settled as per the settlement order issued by SEBI on 8th May, 2025, along the lines of the update that we had provided in last quarter's results.

Summary of Consolidated Financial Performance

Particulars (in ₹ Cr)	Quarter Ended				
	June-25 (Unaudited)	June-24 (Unaudited)	YoY	Mar-25 (Unaudited)	QoQ
Payment Services	1,044	884	18%	1,046	(0)%
Distribution of Financial Services	561	280	100%	545	3%
Marketing Services	247	321	(23)%	267	(7)%
Other Operating Revenue	67	16	319%	52	29%
Revenue from Operations	**1,918**	**1,502**	**28%**	**1,911**	**0%**
Payment processing charges	581	517	12%	520	12%
As % of GMV	0.11%	0.12%	(1) bps	0.10%	1 bps
Promotional cashback & incentives	37	44	(16)%	41	(10)%
Other direct expenses	148	185	(20)%	278	(47)%
Total Direct Expenses	**767**	**746**	**3%**	**840**	**(9)%**
Contribution Profit	**1,151**	**755**	**52%**	**1,071**	**7%**
Contribution Margin %	60%	50%	972 bps	56%	397bps
Indirect Expenses (Excl ESOP Costs)	**1,049**	**1,301**	**(19)%**	**991**	**6%**
Marketing	62	177	(65)%	102	(39)%
Employee cost (Excl ESOPs)	613	706	(13)%	579	6%
Software, cloud and data center	168	182	(8)%	146	15%
Other indirect expenses	207	236	(12)%	165	25%
EBITDA Before ESOP Cost	**102**	**(545)**	**nm**	**81**	**26%**
Margin %	5%	(36)%	nm	4%	110 bps
ESOP Cost	**30**	**247**	**(88)%**	**169**	**(82)%**
EBITDA	**72**	**(792)**	**nm**	**(88)**	**nm**
Margin %	4%	(53)%	nm	(5)%	nm

Reconciliation of EBITDA with Profit / (Loss) for the period

Particulars (in ₹ Cr)	Quarter Ended				
	June-25 (Unaudited)	June-24 (Unaudited)	YoY	Mar-25 (Unaudited)	QoQ
EBITDA	**72**	**(792)**	**nm**	**(88)**	**nm**
Finance costs (C)	(4)	(4)	0%	(4)	0%
Depreciation and amortization expense (D)	(166)	(178)	(7)%	(150)	11%
Other income (E)	241	138	75%	224	8%
Share of profit/(loss) of associates/joint ventures (F)	0	(1)	(100)%	0	nm
Exceptional items (G)	(17)	0	nm	(522)	(97)%
Income Tax expense (H)	(4)	(2)	100%	(3)	33%
Profit / (Loss) for the period/year (J=sum of A to H)	**123**	**(840)**	**nm**	**(545)**	**nm**

Summary of Key Operational Metrics

Operational KPIs	Units	Quarter Ended				
		June-25 (Unaudited)	June-24 (Unaudited)	YoY	Mar-25 (Unaudited)	QoQ
Registered Merchants (end of period)	Cr	4.5	4.1	11%	4.4	3%
Subscription Merchants including devices (cumulative; end of period)	Cr	1.30	1.09	20%	1.24	5%
GMV	₹ Lakh Cr	5.4	4.3	27%	5.1	6%
Merchant Transactions	Cr	1,303	981	33%	1,184	10%
Total Transactions	Cr	1,464	1,103	33%	1,317	11%
Average Number of Sales Employees	#	38,945	31,604	23%	36,724	6%
Cost of Sales Employees (including training)	₹ Cr	266	224	19%	243	10%
MTU (average over the period)	Cr	7.4	7.8	(6)%	7.2	2%
Key financial services customers	Lakh	5.6	5.9	(4)%	5.5	3%

ESOP Pool Schedule

As of July 22, 2025	(in Cr.)
Basic shares outstanding	**63.8**
ESOPs vested and unexercised	0.2
ESOPs granted and unvested	1.2
ESOPs available for distribution	2.7
Estimated fully diluted shares	**67.9**

Indicative Performance Metrics for Loan Distribution (June 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 or our in-store payment solutions, and payments processed through Paytm payment gateway, 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
Net Payment Revenue	Payment revenues (including other operating revenue) less payments processing charges
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 expenses & logistics, deployment & collection cost of our businesses
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

Pioneer of India's mobile payment revolution

Paytm is India's leading mobile payments and financial services distribution company. Pioneer of the mobile QR payments revolution in India, Paytm builds technologies that help small businesses with payments and commerce. Our mission is to serve half a billion Indians and bring them to mainstream of economy with help of technology.

Q1 FY 2026 Earnings Call

Please join for our Earnings Conference call for the shareholders, investors and analysts to discuss financial results of the Company for the quarter ended March 31, 2025.

22nd July 2025
06:00 PM – 06:45 PM

Pre-Registration

Download the report at
ir.paytm.com

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

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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.

We have converted financial amounts from ₹ millions into ₹ Cr and hence there could be some totaling anomalies in the numbers.

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.

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.