Paytm

Sustained Momentum.
Expanded Monetisation.
Powered by AI.

Q2 FY 2027 · EARNINGS PRESENTATION · USD

FOR THE QUARTER ENDING SEPTEMBER 2026

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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.

Figures are translated from INR to USD for convenience only at INR 95.958 = USD 1 (as of 30 Sep 2026) for all periods; this is not a representation that INR amounts could be converted into USD at this or any other rate. Amounts are rounded, hence there could be some totalling anomalies in the numbers.

Q2 FY 2027

Revenue ▲28% YoY, EBITDA ▲90% YoY

Business model strength and AI adoption continue to accelerate growth and cost efficiency across Merchant and Consumer businesses

REVENUE

$276 Mn

▲28% YoY | ▲8% QoQ

EBITDA

$28 Mn

▲90% YoY | ▲33% QoQ

PROFIT AFTER TAX

$23 Mn

COMPARABLE REVENUE GROWTH*

▲33% YoY

vs ▲28% YoY Reported

*excluding PIDF incentive

COMPARABLE EBITDA MARGIN*

3% → 10%

▲637 bps YoY vs ▲331 bps YoY Reported

*excluding PIDF incentive

UPI MDR will be a revenue and profit upside to our business, not the core foundation of our business

Based on the proposed UPI MDR framework by NPCI, we expect an indicative uplift of ~2.5 bps in PPM

Note: Performance on comparable basis (YoY) was even better than reported, as until Dec'25, we also received PIDF incentive. Details on Slide 13

Looking Forward

Well-positioned for Long-term Compounding of Profit

Large addressable market, accelerating revenue growth and AI-led improvement in structural operating leverage

1.	**Growing merchant payments leadership**	Driven by large underserved MSME market, market share gains, steady growth in device subscriptions and structural payment margin expansion
2.	**Long growth runway in capital-light merchant loan distribution business**	AI across lifecycle: growing lendable base, low and increasing loan penetration, sharper insights and better collections. Combined with more lenders and products
3.	**Expansion of consumer monetisation**	AI-led acquisition, retention and product innovation is growing monetisable consumers, market share, and monetisation in key consumer businesses
4.	**AI accelerating structural operating leverage**	Revenue and Contribution Profit are outpacing indirect expenses. AI applications are accelerating both revenue growth and cost efficiencies

We are investing further in AI to unlock new growth and efficiency opportunities

Paytm's Core Moat

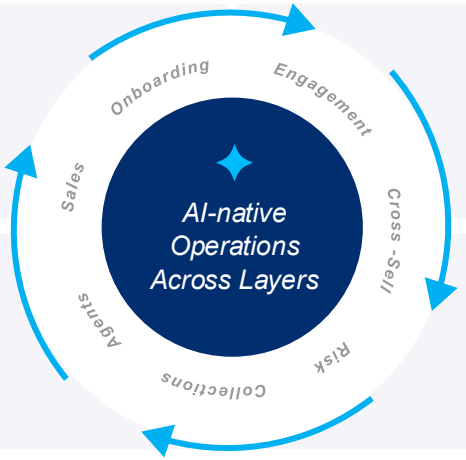
Paytm is Building Payments-led Financial Services Distribution and AI Diffusion Model

Paytm Business Model: One Customer Relationship, Unlocking Multiple Layers of Value

Core Acquisition Model

1. Payments-led Financial Inclusion

Focus on monetisable customers, not market share alone



Monetisation Engine

2. Enable Access to Credit

Distribution of small-ticket loans

AI Diffusion (Emerging Opportunity)

4. AI Agents for Merchants to Grow Their Business

Every merchant gets a CFO and CMO

Deepen Relationship (Emerging Opportunity)

3. Protect & Prosper through Insurance & Wealth

Customers grow their savings & protect their businesses

Using AI to Serve India's Large MSME Market, Profitably

MSMEs IN INDIA	PEOPLE EMPLOYED	CONTRIBUTION TO GDP
~80 Mn	300 Mn+	~30%

Source: MSME Annual Report FY 25 - 26

Merchant Payments

Compounding on Strength Built Over the Years

Our merchant scale drives compounding growth, reflected in market share gains and improvement in monetisation

PAYMENT PROCESSING REVENUE

Merchant GMV
▲26% YoY
$74 Bn
>4bps Payment Processing Margin

+

SUBSCRIPTION REVENUE

Merchant Subscriptions
▲2.7 Mn YoY
16.4 Mn
Subscription Paying Merchants

=

NET PAYMENT REVENUE

$67 Mn

▲21% YoY Comparable* | ▲8% YoY Reported

*excluding PIDF incentive

- **Soundbox is an indispensable operating system,** deployed at 16.4 Mn stores with improving revenue per merchant
- **Sustained market share gains,** with focus on monetizable merchants through investments in product, distribution and service
- **Structural improvement in Payment Processing Margin,** driven by growth in MDR instruments, market share gains and pricing discipline

Consumer Payments & Monetization Engines

6th Consecutive Quarter of Consumer Payment Market Share Gain

Focus on monetisable user base leading to acceleration in revenue growth

MONTHLY TRANSACTING USERS

85 Mn

▲10 Mn YoY, highest in ~3 years

PAYTM vs INDUSTRY UPI GTV GROWTH

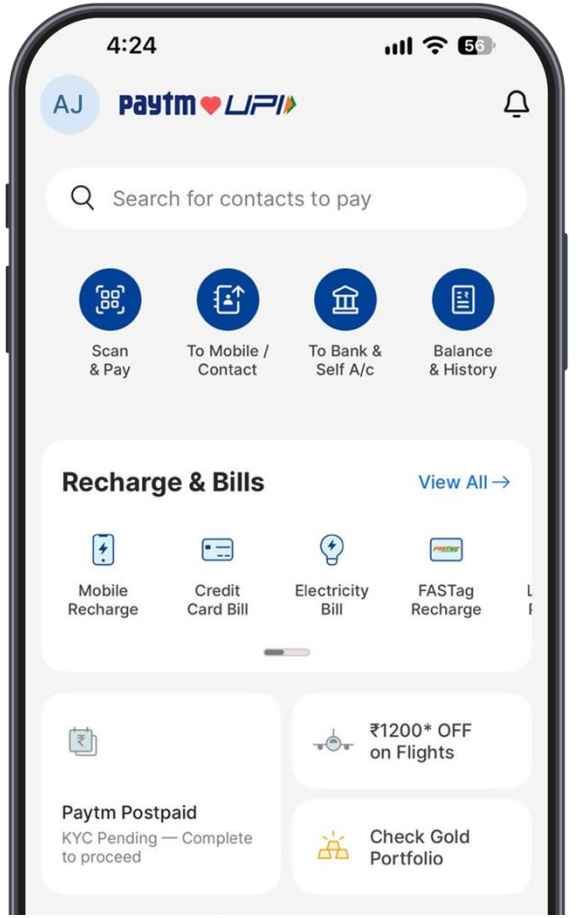
2.2x

42% Paytm growth vs 19% industry growth

Source: NPCI

Acceleration in Consumer Acquisition; Expansion in Monetisation

- **Paytm Postpaid:** Compounding well, meaningful revenue and EBITDA from FY 2028 onwards
- **Personal Loans:** MTU growth, better funnel conversion and scale-up in lending partners is driving growth
- **Equity Broking and Wealth:** Continue to see scale up in MTF book and gain in market share in Paytm Gold
- **Advertising:** Personalised campaigns driving higher advertiser ROI and better user experience



Distribution of Financial Service

Accelerating Monetisation Across Distribution of Financial Services

Low penetration of our customer base offers a long runway for high growth

KEY FINANCIAL SERVICES CUSTOMERS

0.88 Mn

▲0.2 Mn YoY, ▲35% YoY

REPEAT BORROWER MIX

> 50%

of merchant loan disbursements

REVENUE

$95 Mn

▲49% YoY

Merchant Loans

- Growth accelerating on a wider lendable base, scale-up by partners and new products like higher-ticket loans for EDC merchants.
- AI-led efficiencies enable reinvestment to deepen engagement & insights, further accelerating loan distribution

Consumer Loans

- **Paytm Postpaid**: Showcasing higher sign-ups & spends, improved portfolio performance, compared with previous journey
- **Personal Loans**: Strong scale-up by lending partners, in line with industry trends; expect this trend to continue

Wealth & Equity Broking

- AI-powered offerings set to drive future growth

Deepening Lender Base and Loan Distribution Capacity

Since Q1 FY 2026, DLG's share in disbursements has increased, deepening our lender base. DLG loans generate higher lifetime revenue, with upfront cost recognition and similar lifetime profitability comparable to non-DLG loans. DLG costs will rise materially from Q3 as we resume DLG with our largest lending partner, well below the permitted 5% limit

AI-led Operating Leverage

Indirect Expenses: AI Improving Structural Operating Leverage

Continue to invest across payments and financial services distribution, leading to market share gains and higher monetisation

(Quarter ending, in $ Mn)	Sep-25	Sep-26	YoY Change
Cost of Expanding Platform	**38**	**49**	**27%**
Marketing	8	10	38%
Sales and service employees cost	31	39	25%
Cost of building platform	**73**	**77**	**6%**
Non-sales employee costs	38	41	7%
Software & cloud expenses	14	22	59%
Other indirect expenses	21	15	(29)%
Total Indirect Expenses	**111**	**126**	**14%**
As a % of Revenue	*52%*	*46%*	*Improvement of 6p.p*

Investment: Expanding Platform (▲27% YoY)

Continue to invest in acquisition, retention, servicing and upsell of financial services distribution

Efficiency: Building Platform (▲6% YoY)

Cost of building grew meaningfully slower than revenue, and EBITDA continued to improve, even as we continue to invest in AI and incurred short-term platform consolidation costs

Expanding Use of AI Inside and Outside the Organisation

Accelerating AI, Accelerating Growth

Function-specific agents, powered by fine-tuned open-source models, run across engineering, merchant and consumer journeys

Inside Paytm

FOR CONSUMERS
Low-cost customer acquisition & retention

FOR MERCHANTS
AI agent-powered sales and service

FOR ENGINEERING
AI agents accelerate delivery, drive efficiency

- Customer Acquisition and Retention
- Fraud Prevention
- Customer Delight
- Improved Marketing Stack
- Enhanced Cross-Sell
- Improved Collection Performance

Outside Paytm

AI Platform for growing enterprise merchants' business and engage customers across channels, including the Paytm app

Building for the Long Term

Strong Governance, Built to Scale Responsibly

Positive impact of proactive compliance decisions reflected across recent regulatory transitions

- **Profitable Growth without Incentives:** Calibrated business for profitable growth without UPI or PIDF incentives
- **GAAP basis Disclosures**: Adjusted metrics discontinued; disclosures follow GAAP or standard definitions
- **Strengthened Board**: Appointed four new directors in last one year, with expertise across financial services, technology, and AI
- **Proactive Compliance Policies**: Limited impact from stoppage of rent payments through credit cards and the Real Money Gaming Act
- **Conservative Impairments:** A conservative policy is applied for impairing any investments
- **Prudent Revenue and Cost Recognition**: Conservative policy on merchant subscription revenue recognition and upfront recognition of entire DLG cost

Annexure

Excluding PIDF, Revenue grew 33%, EBITDA nearly quadrupled

Our performance was even better on a comparable basis, excluding PIDF incentive which was discontinued in Dec'25 end

(Quarter ending, in $ Mn)	Sep-25	Sep-26	YoY
Operating Revenue (Reported) (A)	215	276	28%
Less: PIDF Incentive (B)	8	1	(84%)
Operating Revenue (Comparable) (A-B)	**207**	**275**	**33%**
Contribution Profit (Reported) (C)	126	154	23%
Contribution Margin %	59%	56%	(271 bps)
Contribution Profit (Comparable) (C-B)	**118**	**153**	**29%**
Contribution Margin %	**57%**	**56%**	**(135 bps)**
EBITDA (Reported) (D)	15	28	90%
EBITDA Margin %	7%	10%	331 bps
EBITDA (Comparable) (D-B)	**7**	**27**	**279%**
EBITDA Margin %	**3%**	**10%**	**637 bps**

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Operating Revenue and Contribution Profit

Particulars (in $ Mn)	Quarter Ended			Change		Half Year Ended		
	Sep-26 (Unaudited)	Jun-26 (Unaudited)	Sep-25 (Unaudited)	YoY	QoQ	Sep-26 (Unaudited)	Sep-25 (Unaudited)	YoY
Payment Services	149	144	119	25%	4%	294	228	29%
Distribution of Financial Services	95	85	64	49%	12%	180	122	47%
Marketing Services	30	25	24	26%	20%	55	49	11%
Other Operating Revenue	2	1	8	(81)%	36%	3	15	(82)%
Revenue from Operations (A)	**276**	**255**	**215**	**28%**	**8%**	**531**	**415**	**28%**
Payment processing charges	84	83	66	28%	1%	167	126	32%
As % of GMV	*0.11%*	*0.11%*	*0.11%*	*0.0 bps*	*0.0 bps*	*0.11%*	*0.11%*	*0.0 bps*
Promotional cashback & incentives	10	9	5	90%	6%	19	9	113%
Other direct expenses	28	22	18	53%	26%	50	34	49%
Total Direct Expenses (B)	**122**	**114**	**89**	**37%**	**6%**	**236**	**169**	**40%**
Contribution Profit (C = A-B)	**154**	**141**	**126**	**23%**	**10%**	**295**	**246**	**20%**
Contribution Margin %	56%	55%	59%	(271) bps	71 bps	56%	59%	(370) bps

EBITDA

Particulars (in $ Mn)	Quarter Ended			Change		Half Year Ended		
	Sep-26 (Unaudited)	Jun-26 (Unaudited)	Sep-25 (Unaudited)	YoY	QoQ	Sep-26 (Unaudited)	Sep-25 (Unaudited)	YoY
Contribution Profit (C)	**154**	**141**	**126**	**23%**	**10%**	**295**	**246**	**20%**
Contribution Margin %	56%	55%	59%	(271) bps	71 bps	56%	59%	(370) bps
Marketing	10	8	8	38%	25%	19	14	34%
Employee cost (Including ESOP Costs)	79	77	69	15%	2%	156	136	15%
Software, cloud and data centre	22	17	14	59%	33%	39	31	23%
Other indirect expenses	15	17	21	(29)%	(16)%	32	42	(24)%
Total Indirect Expenses (D)	**126**	**120**	**111**	**14%**	**5%**	**246**	**223**	**10%**
EBITDA (E = C-D)	**28**	**21**	**15**	**90%**	**33%**	**49**	**22**	**121%**
Margin %	10%	8%	7%	331 bps	190bps	9%	5%	390 bps

Contribution Margin (CM) outlook: As highlighted earlier, CM is not a primary financial metric for us as it can fluctuate QoQ due to change in DLG mix, segment mix and card processing share. We expect CM to decline in Q3, driven by materially higher DLG cost and seasonal factors, however, we expect EBITDA to improve

Reconciliation of Non-GAAP Measures

EBITDA to Net Income

Particulars (in $ Mn)	Quarter Ended			Change		Half Year Ended		
	Sep-26 (Unaudited)	Jun-26 (Unaudited)	Sep-25 (Unaudited)	YoY	QoQ	Sep-26 (Unaudited)	Sep-25 (Unaudited)	YoY
EBITDA (E)	**28**	**21**	**15**	**90%**	**33%**	**49**	**22**	**121%**
Finance costs (F)	(0.7)	(0.7)	(0.5)	40%	0%	(1.5)	(0.9)	56%
Depreciation and amortization expense (G)	(15)	(14)	(14)	7%	11%	(29)	(32)	(9)%
Other income (H)	19	19	23	(18)%	0%	38	48	(21)%
Share of profit/(loss) of associates/joint ventures (I)	(0.3)	0	(0.1)	200%	nm	(0.3)	(0.1)	200%
Income Tax expense (J)	(7)	(3)	(1)	570%	148%	(10)	(1)	571%
Profit / (Loss) for the period/year before Exceptional Items (K = sum of E to J)	24	23	22	9%	4%	47	36	28%
Exceptional items (L)	(0.4)	0	(20)	(98)%	nm	(0.4)	(22)	(98)%
Profit / (Loss) for the period/year (M = K + L)	**23**	**23**	**2**	**971%**	**2%**	**46**	**15**	**209%**

Breakup of Available Cash and Investable Balance

Net Cash Balances

(Qtr ending)

Particulars (in $ Mn)	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26
Cash and Bank Balances	507	570	756	790	742
Deposits with banks	653	637	603	593	584
Investments (Mutual Funds/T-Bills/CP/G-Sec/NCD/NBFC FDs)	578	495	460	528	540
Total Balances (A)	**1,738**	**1,702**	**1,819**	**1,911**	**1,866**
Paytm Money Ltd (PML) customer funds (B)	37	43	40	41	31
Balances in Escrow / Nodal Accounts (C)	339	389	465	533	489
Total Balances (excluding PML and Escrow) (A-B-C)	**1,362**	**1,270**	**1,315**	**1,337**	**1,346**
Prefunded balance in escrow account from PPSL post transfer of offline business (D)	Negligible	73	73	73	73
Total Balance (A - B - C + D)	**1,362**	**1,342**	**1,388**	**1,410**	**1,419**

Note: Cash balance does not include money lent by PML to its customers for Margin Trading Funding (MTF). The same are reported in 'Other Financial Assets' in the Company's financial statements.

ESOP Pool Schedule

As of Oct 26, 2026	(in Mn)
Basic shares outstanding	642
ESOPs vested and unexercised	2
ESOPs granted and unvested	8
ESOPs available for distribution	27
Estimated fully diluted shares	**679**

Operational KPIs

Operational KPIs	Units	Quarter Ended			Change	
		Sep-26 (Unaudited)	Jun-26 (Unaudited)	Sep-25 (Unaudited)	YoY	QoQ
Registered Merchants (end of period)	Mn	52	50	47	10%	2%
Subscription Merchants including devices (cumulative; end of period)	Mn	16.4	15.7	13.7	19%	5%
GMV	$ Bn	74	74	59	26%	1%
Merchant Transactions	Bn	17.9	16.7	14.5	23%	7%
Total Transactions	Bn	21.6	19.9	16.6	30%	8%
Average Number of Sales Employees	#	51,832	43,715	44,154	17%	19%
Sales and service employee costs	$ Mn	39	35	31	25%	9%
MTU (average over the period)	Mn	85	80	75	13%	6%
Key financial services customers	Mn	0.88	0.76	0.65	35%	17%

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 savings or any attachment insurance products, as they contribute negligible revenue/profitability

All figures in this presentation are in USD at INR 95.958 = USD 1 as of 30 Sep 2026

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