



January 20, 2024

**BSE Limited**

Department of Corporate Services,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai - 400 001

**National Stock Exchange of India Limited**

The Listing Department,  
Exchange Plaza,  
Bandra Kurla Complex,  
Mumbai - 400 051

Scrip Code: 543396

Symbol: PAYTM

**Sub.: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Earnings Presentation and Audio recording of the Earnings Conference Call dated January 20, 2024**

Dear Sir / Ma'am,

In furtherance to our letter dated January 08, 2024 and January 19, 2024 and in terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed copy of the presentation made during the earnings conference call held today i.e. January 20, 2024 on financial results of the Company for the quarter and nine months ended December 31, 2023.

The audio recording of earnings conference call, has been uploaded on the website of the Company at <https://ir.paytm.com/financial-results> and the earnings presentation will also be hosted on the aforesaid link.

Kindly take the same on record.

Thanking you,

Yours Sincerely,  
For **One 97 Communications Limited**

**Sunil Kumar Bansal**  
**Company Secretary & Compliance Officer**

*Encl.: as Above*



# Earnings Presentation

Q3 Financial Year 2024

20 January 2024



## Payments



## Financial Services



Loans



Insurance



Equity

## Marketing



Deals



Ticketing

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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 Presentation, if any, are correct or that any objectives specified herein will be achieved.

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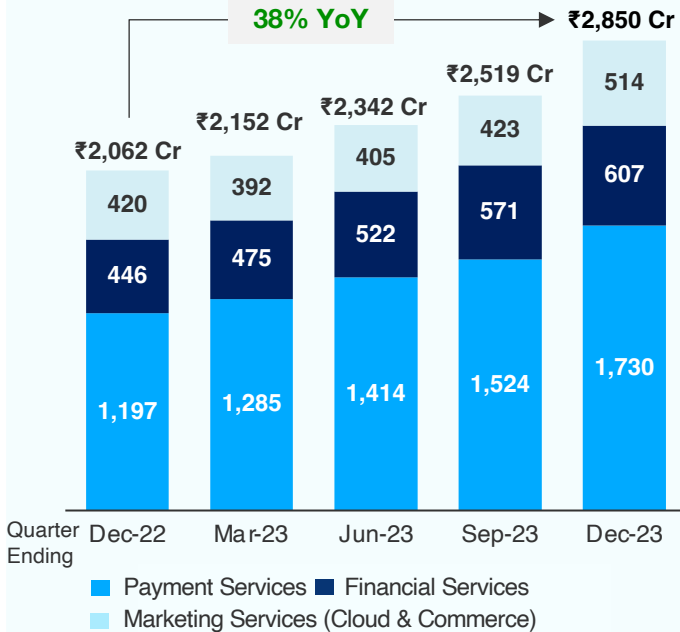
## Use of Operating Metrics

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.

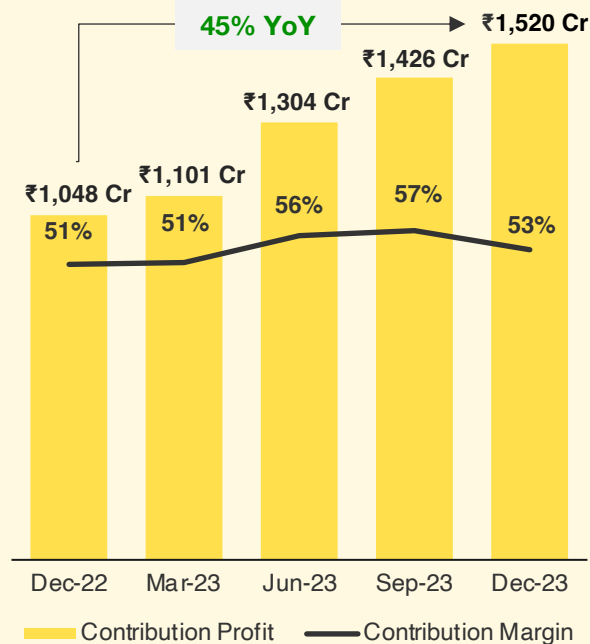
We have converted financial amounts from ₹ millions into ₹ Cr and hence there could be some totaling anomalies in the numbers.

# Revenue of ₹2,850 Cr, up 38% YoY; EBITDA Before ESOP of ₹219 Cr PAT improved by ₹170 Cr YoY to (₹222 Cr)

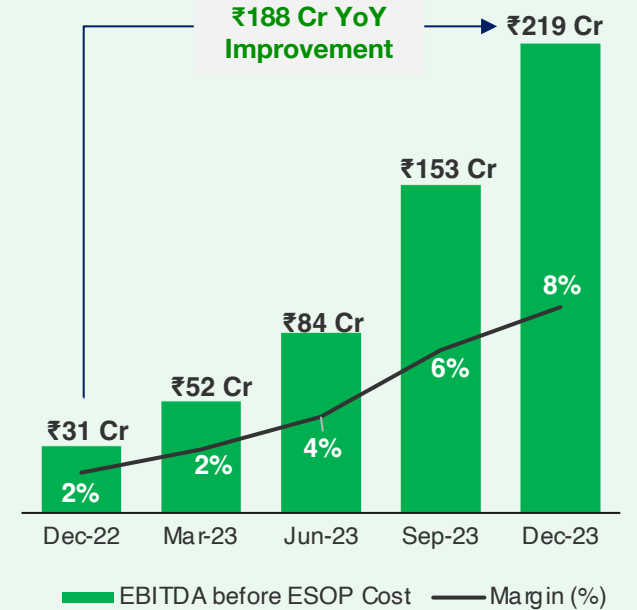
## Revenue grew by 38% YoY



## Contribution Profit grew by 45% YoY Contribution Margin at 53%



## On back of operating leverage, EBITDA before ESOP has increased to ₹219 Cr



Note: For like-for-like comparison, we have excluded UPI incentives of ₹182 Crore from Mar-23 revenues, contribution profit and EBITDA before ESOP

# Payments business profitability continues to improve; Net Payment Margin at ₹748 Cr, grew by 63% YoY

**Payment Processing  
Margin without UPI incentive  
= 7 to 9 bps of GMV**



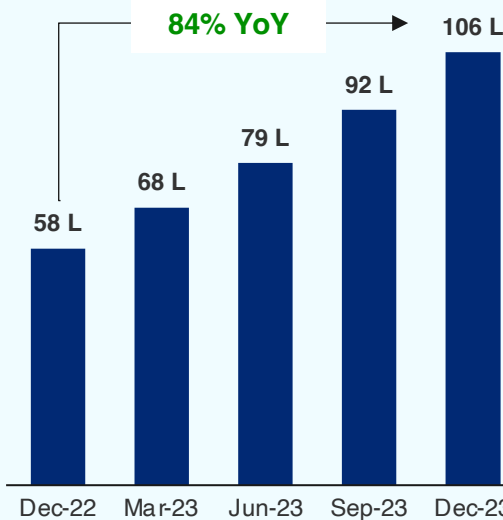
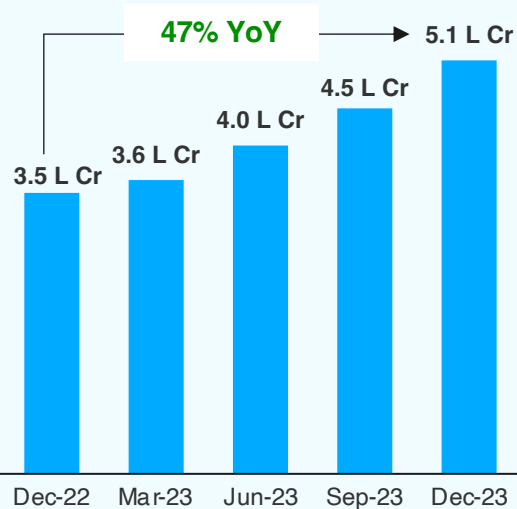
**Merchant Subscription  
Revenue = ~₹100 per month  
per merchant**



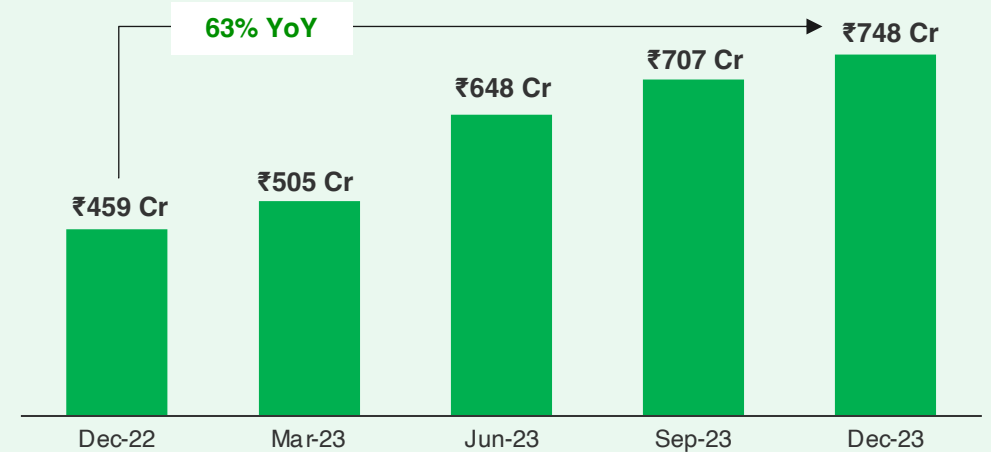
**Net Payment Margin without UPI incentive  
(Qtr ending)**

**Gross Merchandise Volume (GMV)  
(Qtr ending)**

**No. of subscription paying  
Merchants  
(Qtr ending)**



Payment Processing Margin = Gross fees charged to the merchant – Payment processing charges

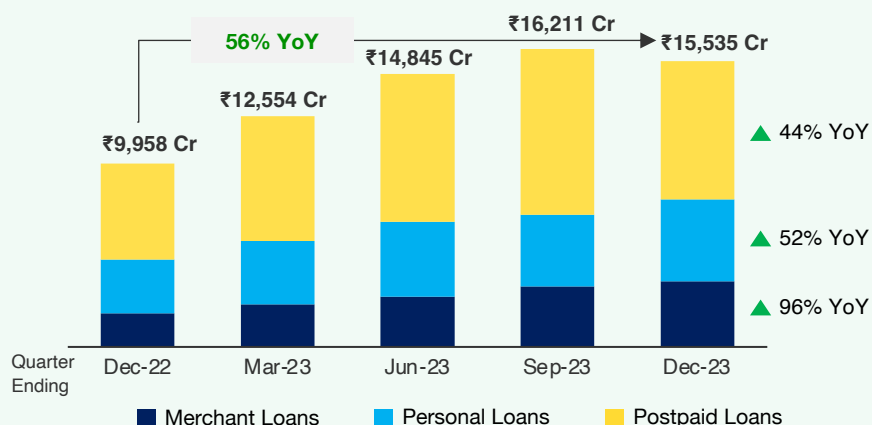


YoY improvement in payment processing margin due to:

- Increase in contribution of GMV of Credit Card and EMI aggregation
- Improved margin of non-UPI payment instruments

# Expanding Financial Services through High-ticket loans, Insurance distribution and Equity broking

Value of loans distributed through our platform



## Loan distribution

- Portfolio quality continues to remain stable and healthy
- Merchant loans continue to show healthy growth trends
- With more than 2 Cr whitelist users, high ticket loans is showing early trends of scale; Q3 distribution at ₹490 Cr, average loan size increased 40% YoY\*
- Continue to calibrate Postpaid loan as per regulatory guidance and lender expectations

	Merchant Loan	Personal Loan	Postpaid
Penetration <sup>1</sup> as of Q3 FY 2024	6.1% of device merchants	1.1% of MTU	3.7% of MTU
Indicative portfolio performance for our partners			
Bounce Rates	NA	10% to 11%	9.50% to 10.75%
Bucket 1 Resolution (%)	78% to 83%	88% to 92%	82% to 84%
Recovery Rate Post 90+	30% to 35%	27% to 29%	30% to 35%
Expected credit loss (ECL%)	4.75% to 5.25%	4.5% to 5.0%	0.65% to 0.85%



**Insurance Distribution**

Early momentum is seen in product market fit of Insurance, both towards embedded as well as to merchant insurance products



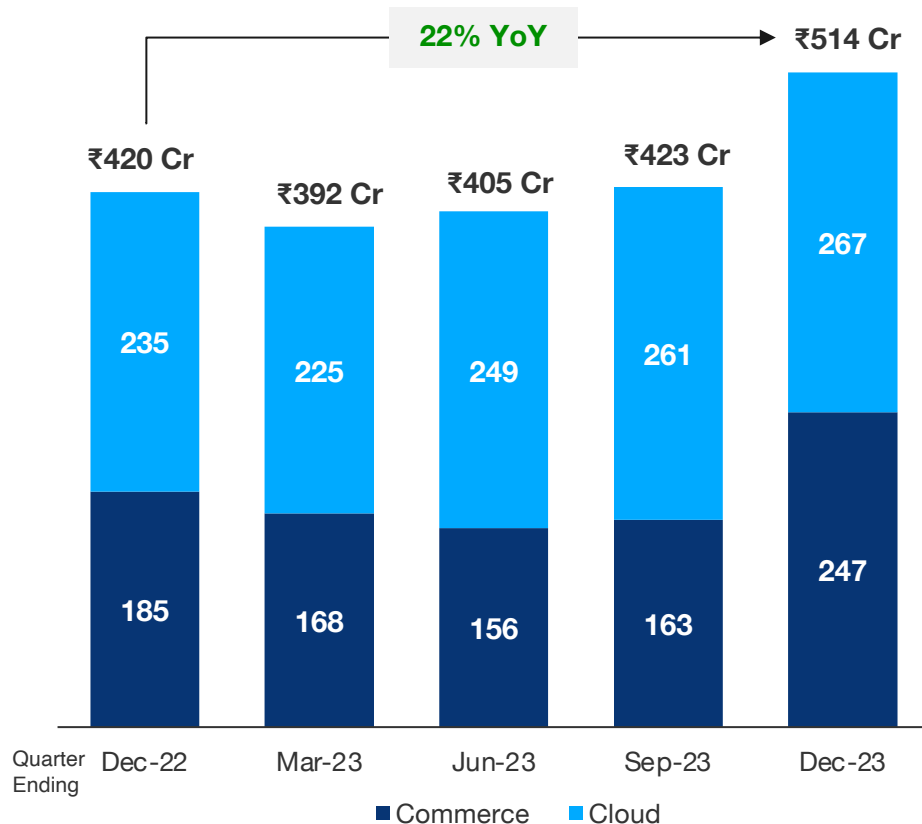
**Equity Broking**

Equity broking seeing gradual scale up of F&O and equity trading customers

<sup>1</sup>Calculation of penetration; Postpaid: Avg monthly number of loans in a quarter as a % of that quarter's avg MTU; Personal Loans: Number of loans disbursed in last 12 months as a % of avg MTU in Q2 FY 2024; Merchant loans: Number of loans disbursed in last 12 months as % of devices deployed at end of Q3 FY 2024. \*Average loan size increase shown for combined Personal Loan and Merchant Loan. Specifics for both are shared in Annexure.

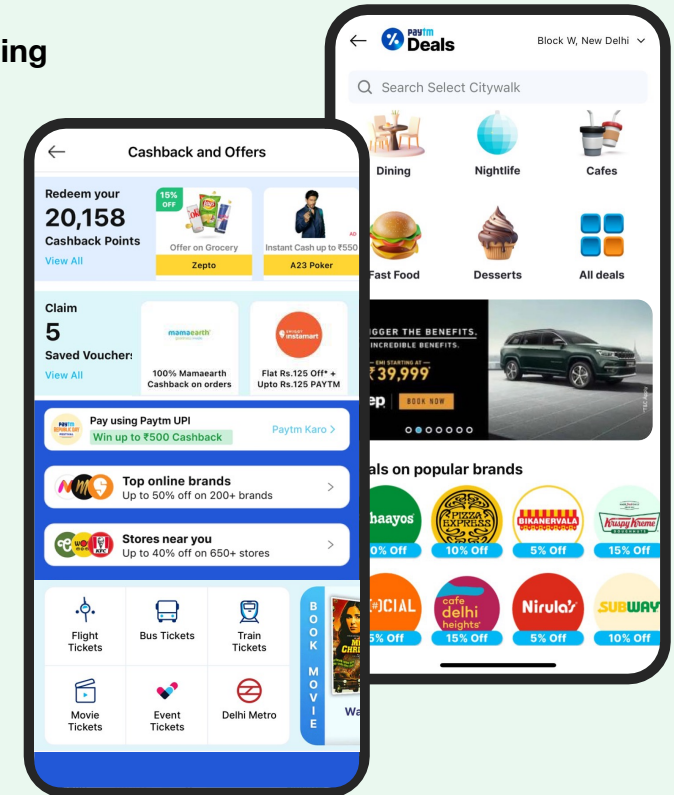
# Marketing Services (Commerce & Cloud): Driving additional monetization from merchants

## Revenue from Marketing Services



## Offering Marketing and advertising services to enable commerce for merchants.

- Merchants sell discount deals, gift vouchers and other digital goods like tickets to Paytm users. GMV of these items sold on Paytm app is up 48% YoY to ₹3,392 Cr
- Offering Brand Marketing, Advertising and loyalty services to brands and businesses
- 10.1 Lakh Paytm consumers acquired for credit cards for partner banks as of December 2023, YoY 125% growth

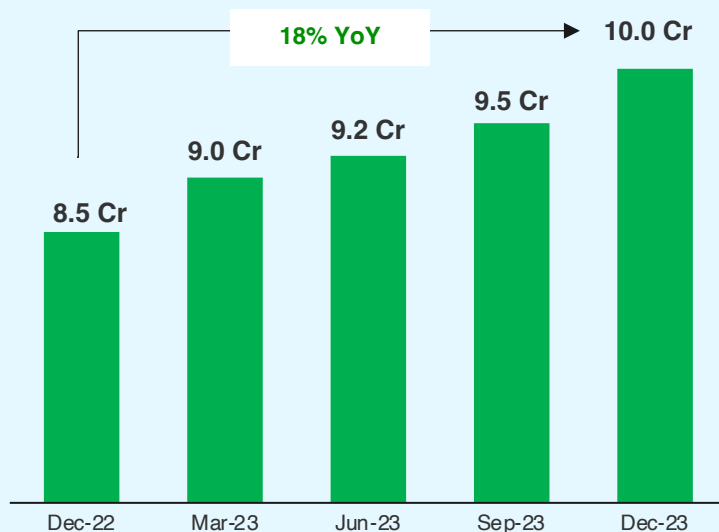


# Key Focus Areas

- Leveraging the power of CoPilot AI to create higher-quality product at an accelerated pace
- Driving operating leverage by AI led efficiencies across business, operations and risk functions



## Monthly Transacting Users

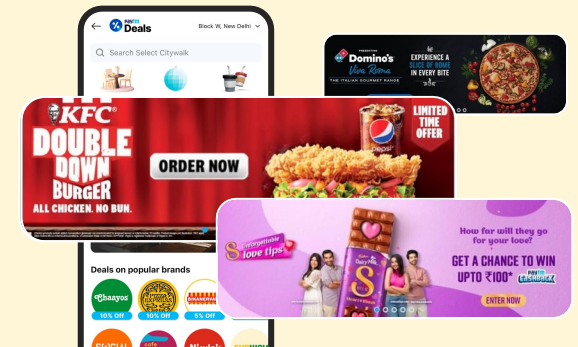


## Payments & Financial Services

- Focusing on monetizable incremental user acquisition, leveraging UPI Credit, Autopay etc.
- Multi-device led strategy to further strengthen merchant acquiring leadership
- Expanding high-ticket loans and addition of new lending partners
- Scaling embedded Insurance and merchant Insurance offerings
- Cross-selling Equity trading to Paytm consumer base

## Marketing Services

- Offering Deal, Gift Voucher, Loyalty and enabling Commerce services to merchants
- Advertising on Paytm App for various brands, businesses and credit card issuers





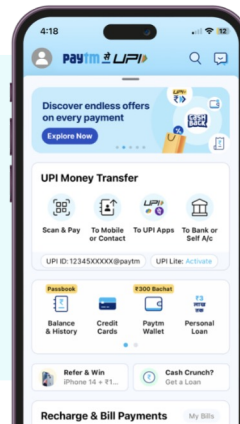


# Power of AI for India's payments revolution

Driving financial inclusion to bring half-a-billion Indians  
to the mainstream economy



**paytm**  
All-in-One  
Payment Gateway



Consumer  
Loans



Merchant  
Loans



Insurance  
Distribution



Equity  
Broking

# Annexure

# Revenue breakdown: Overall growth of 38% YoY

(in ₹ Cr)	Quarter Ended			Change		Nine Months Ended		
	Dec-22	Sep-23	Dec-23	YoY	QoQ	Dec-22	Dec-23	Y-o-Y
Payments & Financial Services	1,599	2,071	2,285	43%	10%	4,467	6,274	40%
Payment Services to Consumers	513	579	598	17%	3%	1,581	1,730	9%
Payment Services to Merchants	640	921	1,081	69%	17%	1,821	2,843	56%
Financial Services and Others	446	571	607	36%	6%	1,065	1,700	60%
Commerce & Cloud Services	420	423	524	22%	21%	1,128	1,343	19%
Commerce	185	163	247	34%	52%	448	566	26%
Cloud	235	261	267	14%	2%	680	777	14%
Other Operating Revenue	44	24	51	17%	109%	61	94	54%
<b>Revenue from Operations</b>	<b>2,062</b>	<b>2,519</b>	<b>2,850</b>	<b>38%</b>	<b>13%</b>	<b>5,656</b>	<b>7,711</b>	<b>36%</b>

# Contribution Profit up by 45% YoY in Q3 FY 2024

(in ₹ Cr)	Quarter Ended			Change		Nine Months Ended		
	Dec-22	Sep-23	Dec-23	YoY	QoQ	Dec-22	Dec-23	Y-o-Y
<b>Revenue from Operations</b>	<b>2,062</b>	<b>2,519</b>	<b>2,850</b>	<b>38%</b>	<b>13%</b>	<b>5,656</b>	<b>7,711</b>	<b>36%</b>
Payment processing charges	738	817	982	33%	20%	2,177	2,566	18%
<i>As % of GMV</i>	<i>0.21%</i>	<i>0.18%</i>	<i>0.19%</i>	<i>(2)bps</i>	<i>1 bps</i>	<i>0.23%</i>	<i>0.19%</i>	<i>(4)bps</i>
Promotional cashback & incentives	91	73	106	17%	46%	425	264	(38)%
Other Expenses	186	203	242	30%	19%	437	631	44%
<b>Total Direct Expenses</b>	<b>1,015</b>	<b>1,093</b>	<b>1,331</b>	<b>31%</b>	<b>22%</b>	<b>3,039</b>	<b>3,461</b>	<b>14%</b>
<b>Contribution Profit</b>	<b>1,048</b>	<b>1,426</b>	<b>1,520</b>	<b>45%</b>	<b>7%</b>	<b>2,617</b>	<b>4,250</b>	<b>62%</b>
<i>Contribution Margin %</i>	<i>51%</i>	<i>57%</i>	<i>53%</i>	<i>252bps</i>	<i>(330)bps</i>	<i>46%</i>	<i>55%</i>	<i>885bps</i>

# EBITDA before ESOP improved by ₹188 Cr YoY in Q3 FY 2024

(in ₹ Cr)	Quarter Ended			Change		Nine Months Ended		
	Dec-22	Sep-23	Dec-23	YoY	QoQ	Dec-22	Dec-23	Y-o-Y
<b>Contribution Profit</b>	<b>1,048</b>	<b>1,426</b>	<b>1,520</b>	<b>45%</b>	<b>7%</b>	<b>2,617</b>	<b>4,250</b>	<b>62%</b>
<i>Contribution Margin %</i>	<i>51%</i>	<i>57%</i>	<i>53%</i>	<i>252bps</i>	<i>(330)bps</i>	<i>46%</i>	<i>55%</i>	<i>885bps</i>
Marketing	136	180	169	24%	(6)%	447	529	18%
Employee cost (excl ESOPs)	584	807	809	39%	0%	1,709	2,345	37%
Software, cloud and data center	171	155	170	0%	10%	506	481	(5)%
Other indirect expenses	126	130	153	21%	17%	364	439	20%
<b>Total indirect expenses</b>	<b>1,016</b>	<b>1,273</b>	<b>1,301</b>	<b>28%</b>	<b>2%</b>	<b>3,027</b>	<b>3,794</b>	<b>25%</b>
<b>EBITDA before ESOP cost</b>	<b>31</b>	<b>153</b>	<b>219</b>	<b>599%</b>	<b>43%</b>	<b>(410)</b>	<b>456</b>	<b>(211)%</b>
<i>EBITDA before ESOP cost Margin %</i>	<i>2%</i>	<i>6%</i>	<i>8%</i>	<i>616bps</i>	<i>159bps</i>	<i>(7)%</i>	<i>6%</i>	<i>1,316bps</i>

# Reconciliation of Non-GAAP Measures

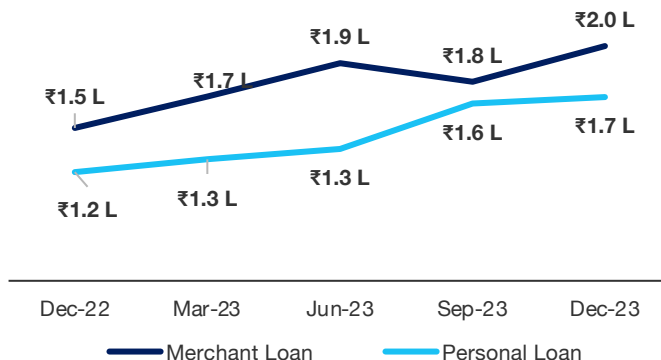
EBITDA before ESOP cost

(in ₹ Cr)	Quarter Ended			Nine Months Ended	
	Dec-22 (Unaudited)	Sep-23 (Unaudited)	Dec-23 (Unaudited)	Dec-22 (Unaudited)	Dec-23 (Unaudited)
<b>EBITDA before ESOP cost (A)</b>	<b>31</b>	<b>153</b>	<b>219</b>	<b>(410)</b>	<b>456</b>
ESOP cost (B)	(362)	(385)	(378)	(1,092)	(1,140)
Finance costs (C)	(5)	(7)	(5)	(16)	(19)
Depreciation and amortization expense (D)	(124)	(180)	(201)	(326)	(540)
Other income (E)	78	144	149	280	415
Share of profit / (loss) of associates / joint ventures (F)	5	1	(4)	(10)	(21)
Exceptional items (G)	-	(6)	-	-	(6)
Income Tax expense (H)	(15)	(13)	(1)	(34)	(18)
<b>Loss for the period (I=Sum of A to H)</b>	<b>(392)</b>	<b>(292)</b>	<b>(222)</b>	<b>(1,609)</b>	<b>(872)</b>

# Operational KPIs

(in ₹ Cr)	Units	Quarter Ended			Change	
		Dec-22	Sep-23	Dec-23	YoY	QoQ
GMV	₹ Lakh Cr	3.5	4.5	5.1	47%	13%
Merchant Transactions	Cr	628	912	999	59%	10%
Total Transactions	Cr	763	1,090	1,185	55%	9%
MTU (avg over the period)	Cr	8.5	9.5	10.0	18%	5%
Registered Merchants (end of period)	Cr	3.14	3.75	3.93	25%	5%
Number of Loans Disbursed	Cr	1.05	1.32	1.15	10%	(13)%
Value of Loans	₹ Cr	9,958	16,211	15,535	56%	(4)%
Payment Devices (cumulative; end of period)	Lakh	58	92	106	84%	15%
Average number of Sales Employees*	#	25,375	35,349	40,028	58%	13%
Cost of sales employees (including training)	₹ Cr	178	247	267	50%	8%

Average ticket size for Merchant and Personal loans



Note: Starting Q4 FY 2023, we would be reporting our active Sales headcount. We have restated numbers for prior quarters for like-for-like comparison. Number of sales employees includes on-roll and off-rolls employees. Cost relates to on-roll employees only

# 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.