



May 21, 2022

**BSE Limited**

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

Scrip Code: 543396

**National Stock Exchange of India Limited**

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

Symbol: PAYTM

**Subject: Earnings Conference Call - Presentation**

Dear Sir / Madam,

In furtherance to our letter dated May 13, 2022 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. Saturday, May 21, 2022.

The presentation will also be hosted on the Company's website viz. [www.paytm.com](http://www.paytm.com).

Request you to kindly take the same on record.

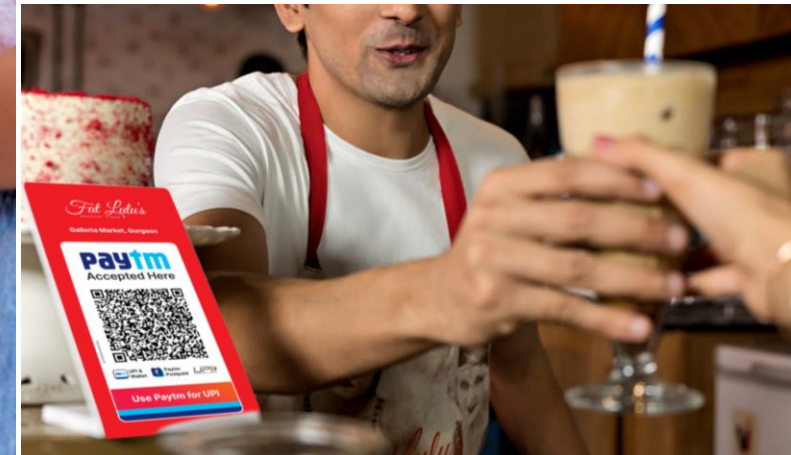
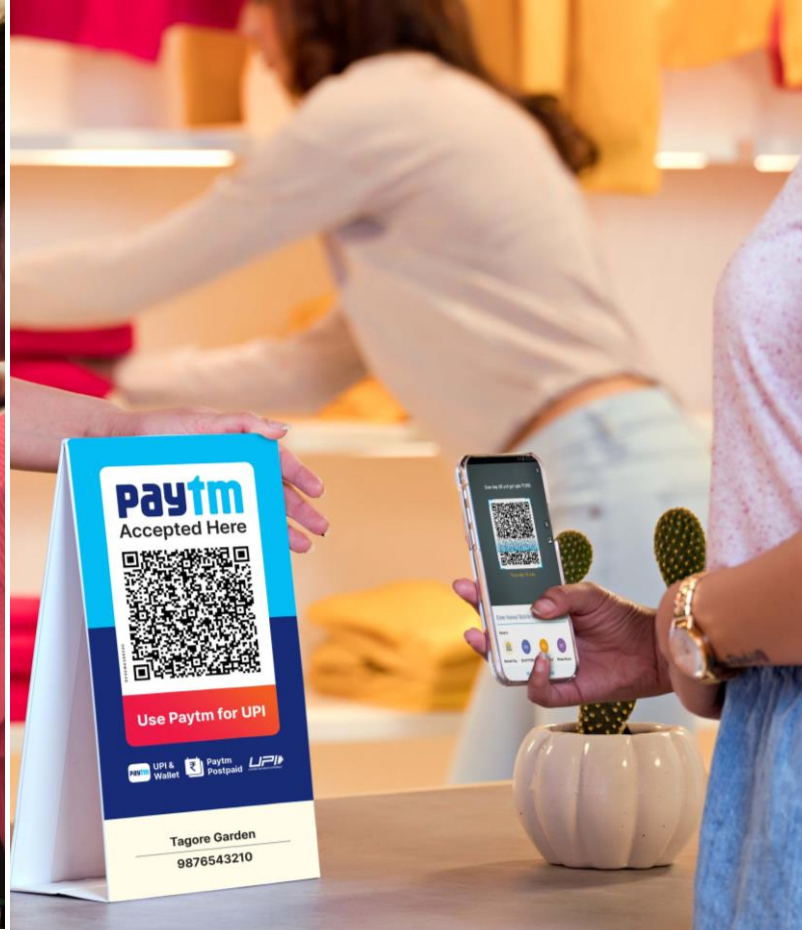
Thanking you

Yours Sincerely,

For **One 97 Communications Limited**

  
**Amit Khera**  
**Company Secretary & Compliance Officer**

*Encl.: As above*



# Q4 FY 2022 Earnings Presentation

21 May 2022



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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.



# To bring Half-a-Billion Indians to the Mainstream Economy through Technology-led Financial Services



# Strong growth in revenue and profitability



## Quarter Ending March 2022

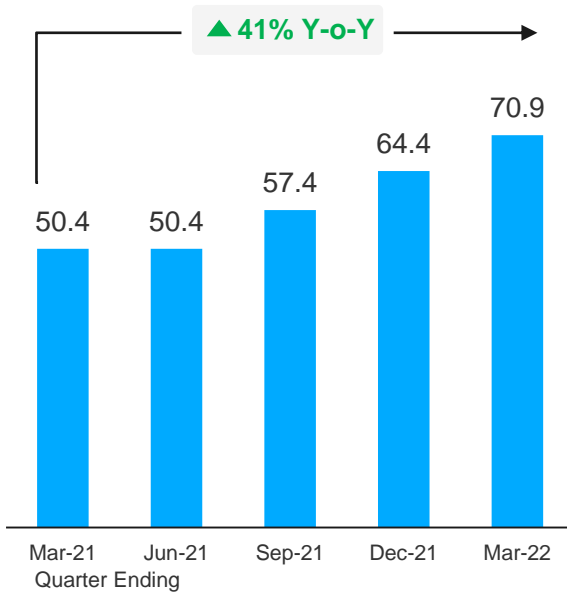
## Year Ending March 2022

Revenue from Operations	<b>₹1,541 Cr</b> ▲ 89% Y-o-Y Growth	<b>₹4,974 Cr</b> ▲ 77% Y-o-Y Growth
Contribution Profit 35% of revenue	<b>₹539 Cr</b> ▲ 210% Y-o-Y Growth	<b>₹1,498 Cr</b> ▲ 313% Y-o-Y Growth 30% of revenue
EBITDA (before ESOP cost) (24%) of revenue	<b>₹(368) Cr</b> ▲ 52 Cr Y-o-Y Improvement	<b>₹(1,518) Cr</b> ▲ 137 Cr Y-o-Y Improvement (31%) of revenue

# Consistent growth in payments key operating metrics

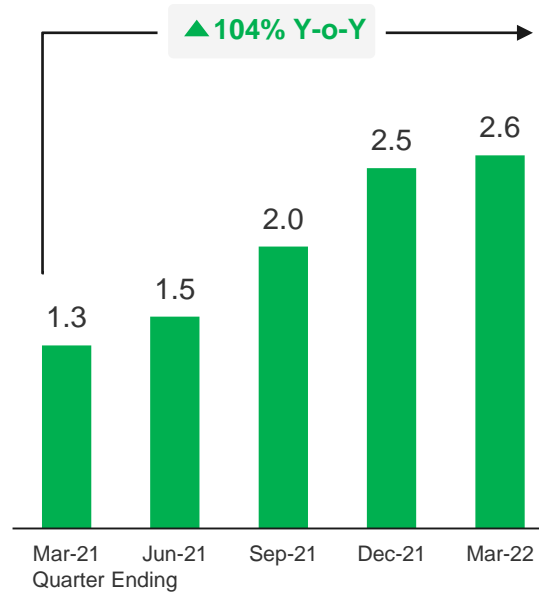


### Average Monthly Transacting Users (in Million)



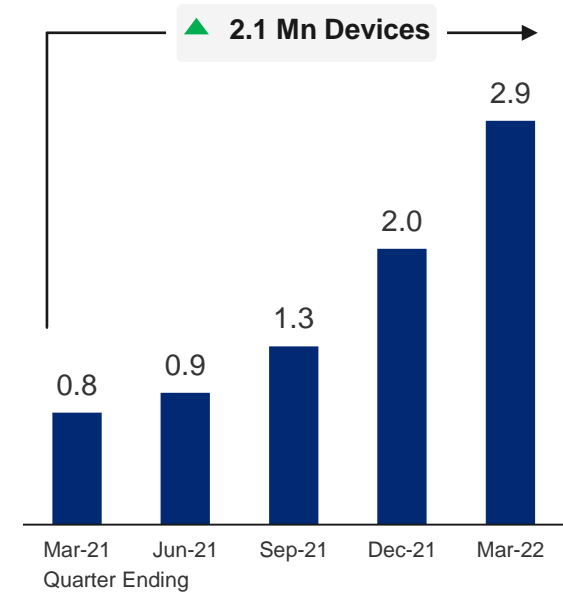
■ Growth driven by new user acquisition and consistently higher retention of transacting users

### GMV (in ₹ Lakh Crore)



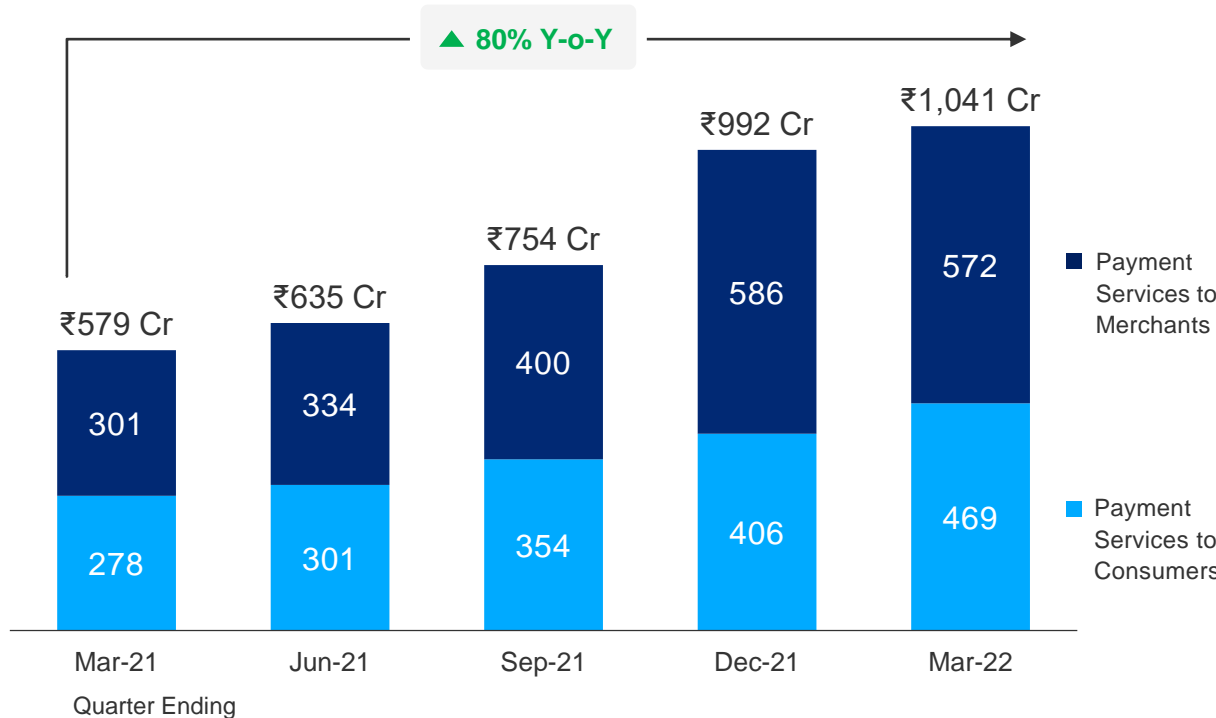
■ GMV from MDR bearing instruments grew 52% Y-o-Y in Quarter ending Mar-22

### Devices Deployed (in Million)



■ Device merchants accounted for more than 75% of merchant lending disbursements in Quarter ending Mar-22

# Payments Service revenue grew 80% Y-o-Y driven by MDR-bearing instruments GMV and payment devices growth



## Payment Services to Consumers:

▲ 69% to ₹469 Cr

- Growth in usage of Paytm app
- Growth of bill payments use cases

## Payment Services to Merchants:

▲ 90% to ₹572 Cr

- MDR-bearing instruments GMV growth
- Growth in payments devices
- Seasonality impact on Q-o-Q trend

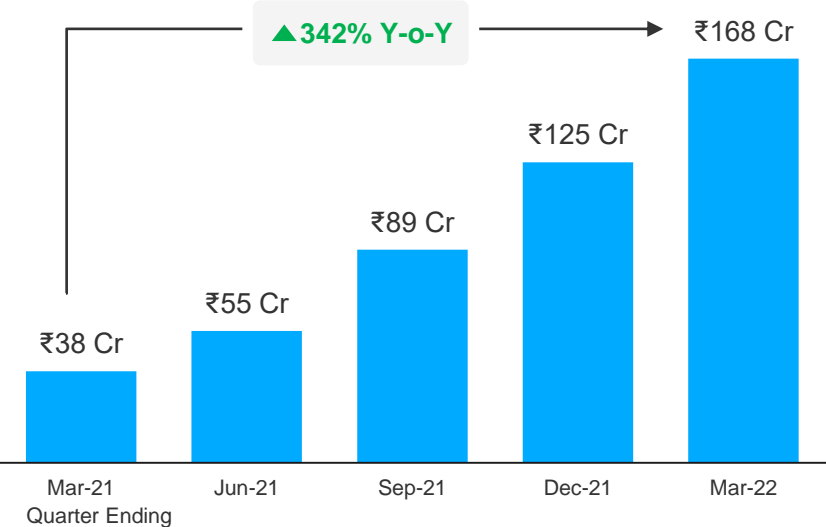
Notes:

- 1 MDR bearing instruments are primarily Paytm Wallet, net banking and debit and credit cards
- 2 MDR from Postpaid is included in Payment Services and not in Financial Services

# Strong growth in Financial Services revenue, driven by healthy growth in loans disbursements



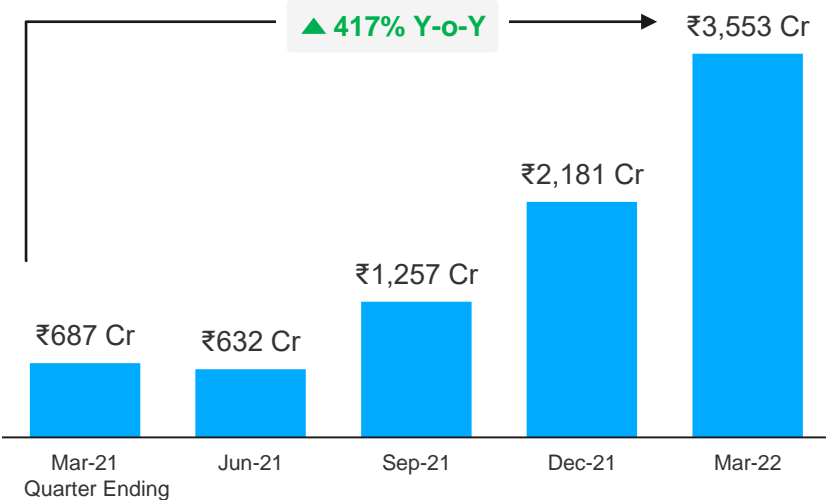
Revenue from Financial Services & Others



Financial Services revenues include loan disbursement, equity trading and insurance distribution

Note:  
Loans are disbursed by our financial institution partners

Value of Loans disbursed



Number of Loans grew 374% Y-o-Y

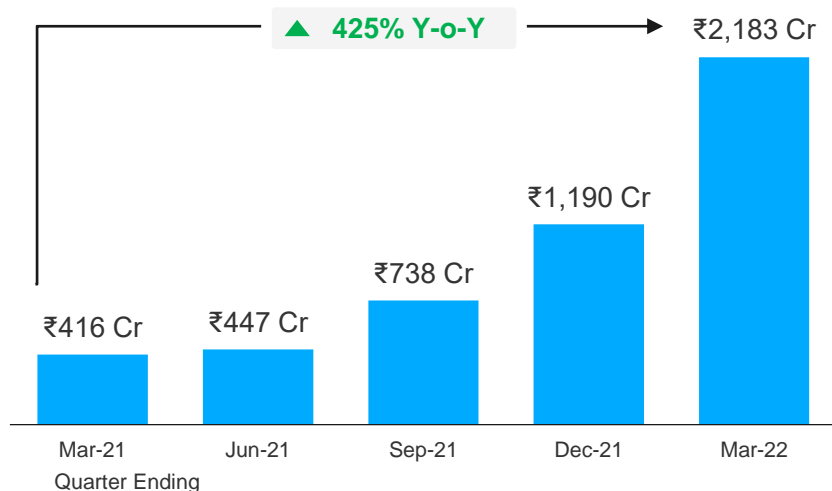
Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
1.4 mn	1.4 mn	2.8 mn	4.4 mn	6.5 mn



## Paytm Postpaid: Accepted at over 9 million merchants now

Total base of over 4 million signed up users

### Value of Loans



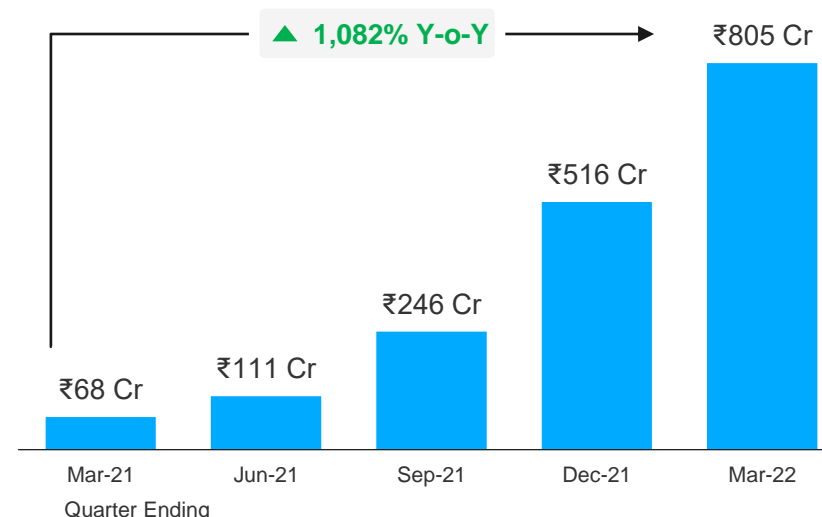
Number of Loans grew 373% Y-o-Y

Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
1.4 mn	1.4 mn	2.8 mn	4.3 mn	6.4 mn

## Personal Loans: Over 50% of loans disbursed to existing Postpaid users

Consistent growth in average ticket size (₹85,000-95,000)

### Value of Loans



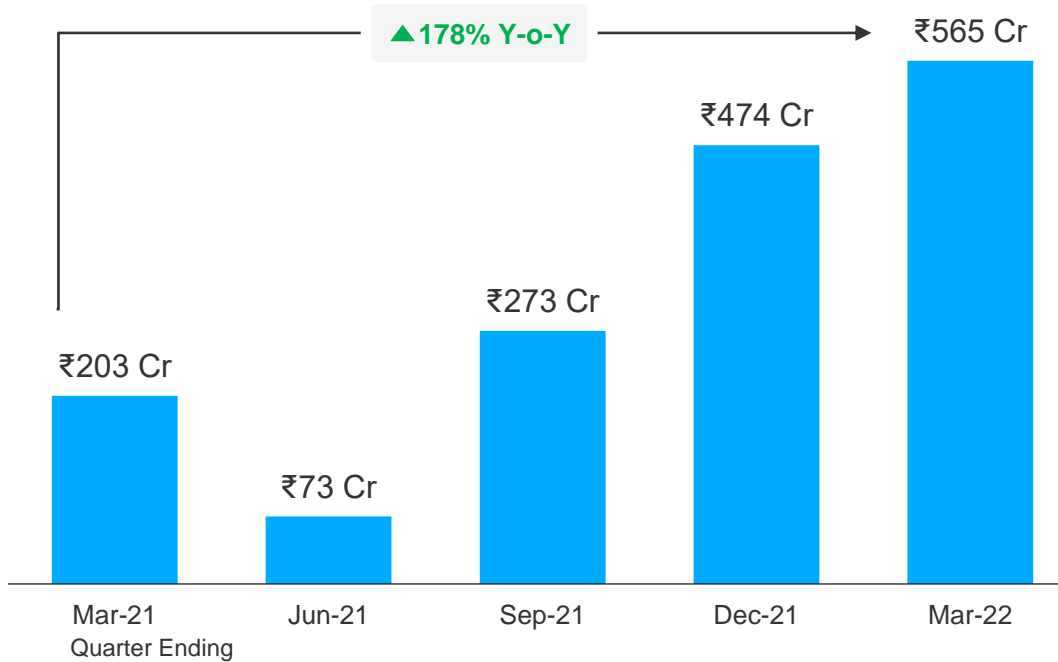
Number of Loans ('000) grew 948% Y-o-Y

Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
9	13	29	60	92

# Merchant Loans: consistent growth in post covid quarters



Value of Loans



- High quality merchants with long vintage on Paytm
- Focus on short tenure: around 12 month
- Average ticket size continues to increase with scale, now at ₹130,000-150,000
- More than 75% of disbursements to merchants with Paytm device
- Strong repeat behavior with over 50% of total value disbursed last quarter being to merchants who have taken a loan earlier

Number of Loans ('000) grew 123% Y-o-Y

Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
17	6	23	35	38

# Our collections efforts continue to trend better: indicative portfolio performance for our partners



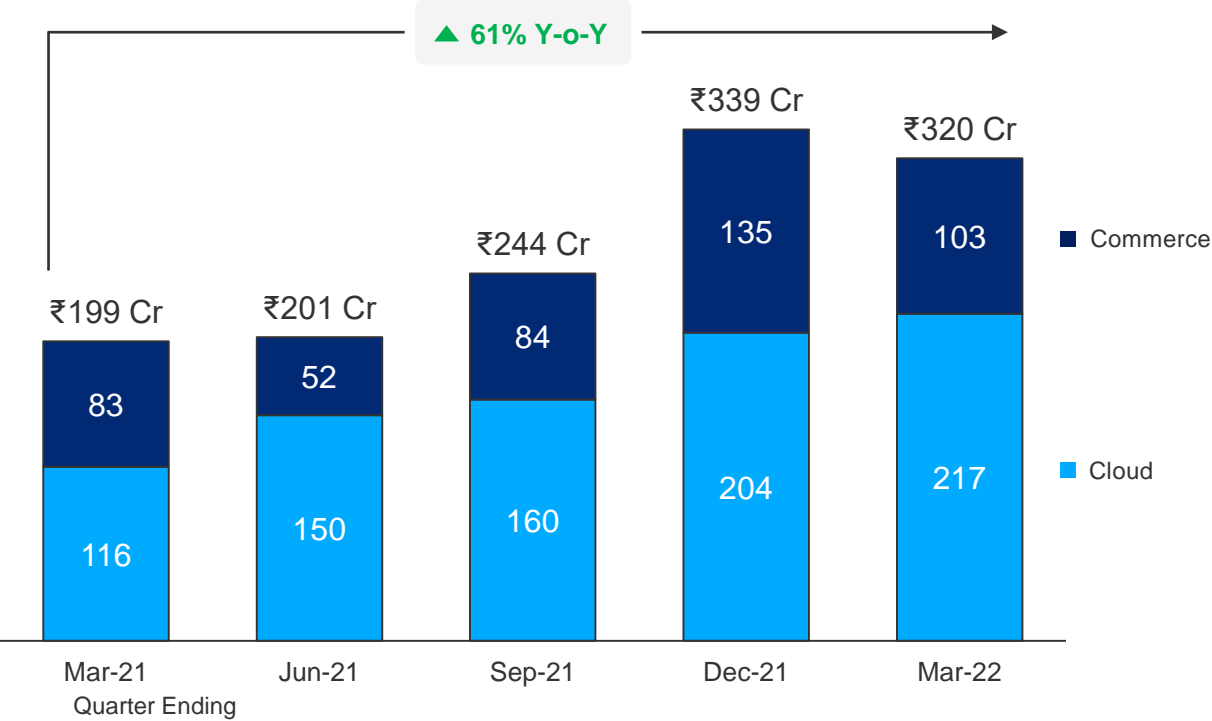
		Personal Loan	Merchant Loan	Postpaid
<p>All 3 products augmented through Paytm data and advance machine learning models</p> <p>Continuous co-creation of risk models with our lending partners – helping scale and risk based pricing</p>	Bounce Rates	11.5% to 12.5%	NA <sup>(2)</sup>	11.0% to 13.0%
<p>Own collection technology platform aiding digital collections, better efficiency at lower operating expenses; Collection rates have remained stable with increasing scale</p>	Bucket 1 Resolution %	89% to 92%	84% to 87%	82% to 85%
<p>Capacity enhancement increasing with scale: increasing employees and have over 50 tie ups with on ground collection partners</p>	Recovery Rate Post 90+	27% to 29%	31% to 33%	25% to 27%
<p>Calibrated approach of “Low and Grow” model of scaling - helping control credit cost</p>	ECL%	4.5% to 5.0%	5.0% to 5.5%	1.1% to 1.3%

Notes:

1. 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

2. Being a daily EMI product, monthly bounce rate is not applicable

# Commerce and Cloud Services Revenue grew 61% Y-o-Y



**Cloud services: ▲ 88% to ₹217 Cr**

- Strong growth in Advertising, Credit Card and PAI cloud revenues

**Commerce Services: ▲ 24% to ₹103 Cr**

- Omicron effect on Travel and Entertainment ticketing for 3-4 weeks in Jan-Feb 2022
- Q-o-Q impact on account of festive season

# Platform leverage coupled with revenue growth: Contribution Profit up by 210% Y-o-Y



(in ₹ Cr)	Quarter Ended			Change		Financial Year ended Mar 31,		
	Mar-21	Dec-21	Mar-22	Y-o-Y	Q-o-Q	FY 2021	FY 2022	Y-o-Y
<b>Revenue from Operations</b>	<b>815</b>	<b>1,456</b>	<b>1,541</b>	<b>89%</b>	<b>6%</b>	<b>2,802</b>	<b>4,974</b>	<b>77%</b>
Payment processing charges	509	783	774	52%	(1%)	1,917	2,754	44%
As % of GMV	0.40%	0.31%	0.30%	(10 bps)	(1 bps)	0.48%	0.32%	(15 bps)
Promotional cashback & incentives	20	117	118	488%	1%	236	378	60%
Other Expenses	113	103	110	(2%)	7%	287	344	20%
<b>Total Direct Expenses</b>	<b>641</b>	<b>1,002</b>	<b>1,002</b>	<b>56%</b>	<b>(0%)</b>	<b>2,440</b>	<b>3,476</b>	<b>42%</b>
<b>Contribution Profit</b>	<b>174</b>	<b>454</b>	<b>539</b>	<b>210%</b>	<b>19%</b>	<b>363</b>	<b>1,498</b>	<b>313%</b>
Contribution Margin %	21.4%	31.2%	35.0%	1,364 bps	383 bps	12.9%	30.1%	1,718 bps

- A** Payment processing charges grew by 52% Y-o-Y while payments services revenue growth was much faster at 80% Y-o-Y
- Optimization of transaction routing
  - Improvements in transaction rates
  - Increase in share of low cost instruments in mix including for wallet loading
- B** Strong growth in contribution driven by (a) margin improvement in payments (b) increase in share of high margin offerings such as lending and cloud

# EBITDA (before ESOP cost) improved by 12% Y-o-Y



(in ₹ Cr)	Quarter Ended			Change		Financial Year Ended		
	Mar-21	Dec-21	Mar-22	Y-o-Y	Q-o-Q	Mar-21	Mar-22	Y-o-Y
<b>Contribution Profit</b>	<b>174</b>	<b>454</b>	<b>539</b>	<b>210%</b>	<b>19%</b>	<b>363</b>	<b>1,498</b>	<b>313%</b>
<i>Contribution Margin %</i>	21.4%	31.2%	35.0%	1,364 bps	383 bps	12.9%	30.1%	1,718 bps
Marketing	A 80	167	131	64%	(21%)	297	477	61%
Employee cost (excl ESOPs)	B 306	442	502	64%	14%	1,072	1,623	51%
Software, cloud and data center	108	130	151	40%	16%	350	500	43%
Other indirect expenses	99	108	122	23%	13%	298	416	39%
<b>EBITDA (Before ESOP cost)</b>	C (420)	(393)	(368)	(12%)	(6%)	(1,655)	(1,518)	(8%)
<i>EBITDA (Before ESOP cost) Margin %</i>	(51.5%)	(27.0%)	(23.8%)	2,760 bps	313 bps	(59.0%)	(30.5%)	2,854 bps

- A Marketing cost has declined 21% q-o-q, despite investments in sponsorship and growth in user base
- B Significant investments in FY22 in our sales teams for merchant acquisition and technology teams. Current headcount is sufficient to support growth plans for FY 2023
- C EBITDA (before ESOP cost) improved by 12% Y-o-Y. As a % of revenue, it improved to (24%) in Mar 2022 quarter from (51%) in Mar 2021 quarter

## Improving trends in our Businesses

1. Consistently growing and engaged customer and merchant base
2. Customer monetization is gaining momentum: growing consumer engagement on our platform (whether through UPI, cards or wallet) gives us monetization opportunities across payments, lending and commerce
3. Higher merchant monetization: merchants who start their journey with free products such as QR-code (for UPI and wallet) are increasingly adopting device subscriptions and lending
4. Attractive upsell opportunity via lending: ₹20,000 Cr annualized run rate of Lending disbursals as of April 2022

## Revenue growth and operating leverage

1. Strong momentum in revenue growth to continue; 89% growth Y-o-Y in Quarter ended Mar-22
2. Clear trends in contribution margin improvements (growth from 21% to 35% Y-o-Y). We expect to see continued improvements in contribution margin
3. Indirect Expenses as a % of Revenues is going down. In FY 2022 we made investments in
  - a) Marketing expenses: MTU growth at 40% Y-o-Y
  - b) Employee costs: devices deployments of 0.8 to 1.0 million per quarter; investments in technology
  - c) We expect moderation in indirect costs growth going forward
4. We expect the trajectory of EBITDA improvement will steepen



# Annexure



# Reconciliation of Non GAAP Measures



EBITDA (before ESOP cost)

(in ₹ Cr)	Quarter Ended			Financial Year Ended	
	Mar-22 (Audited)	Mar-21 (Unaudited)	Dec-21 (Unaudited)	Mar-22 (Audited)	Mar-21 (Audited)
EBITDA before ESOP cost (A)	(367.5)	(419.5)	(392.8)	(1,517.7)	(1,654.8)
ESOP cost (B)	(361.5)	(41.6)	(389.5)	(809.3)	(112.5)
Initial Public Offer expenses (C)	0.0	0.0	(5.6)	(13.2)	0.0
Finance costs (D)	(7.0)	(7.1)	(12.5)	(39.4)	(34.8)
Depreciation and amortization expense (E)	(95.1)	(51.0)	(60.9)	(247.3)	(178.5)
Other income (F)	107.5	96.5	77.3	290.1	384.4
Share of profit / (loss) of associates / joint ventures (G)	(38.3)	(33.5)	11.1	(45.9)	(74.0)
Exceptional items (H)	0.0	(0.1)	0.0	(2.4)	(28.1)
Income Tax expense (I)	(0.6)	11.9	(5.6)	(11.3)	(2.7)
Loss for the period (J=A+B+C+D+E+F+G+H+I)	(762.5)	(444.4)	(778.5)	(2,396.4)	(1,701.0)
EBITDA before ESOP cost	(367.5)	(419.5)	(392.8)	(1,517.7)	(1,654.8)
<b>Margin %</b>	<b>(23.8%)</b>	<b>(51.5%)</b>	<b>(27.0%)</b>	<b>(30.5%)</b>	<b>(59.0%)</b>

# Revenue Breakdown



(in ₹ Cr)	Quarter Ended			Change		Financial Year Ended		
	Mar-21	Dec-21	Mar-22	Y-o-Y	Q-o-Q	Mar-21	Mar-22	Y-o-Y
Payments & Financial Services	617	1,117	1,209	96%	8%	2,109	3,858	83%
Payment Services to Consumers	278	406	469	69%	16%	969	1,529	58%
Payment Services to Merchants	301	586	572	90%	(2%)	1,012	1,892	87%
Financial Services and Others	38	125	168	342%	35%	128	437	240%
Commerce & Cloud Services	199	339	320	61%	(6%)	693	1,105	59%
Commerce	83	135	103	24%	(23%)	245	374	52%
Cloud	116	204	217	88%	6%	448	731	63%
Other Operating Revenue			12	nm	nm	-	12	nm
<b>Revenue from Operations</b>	<b>815</b>	<b>1,456</b>	<b>1,541</b>	<b>89%</b>	<b>6%</b>	<b>2,802</b>	<b>4,974</b>	<b>77%</b>

# Operational KPIs



	Units	Quarter Ended			Change		Financial Year Ended		
		Mar-21	Dec-21	Mar-22	Y-o-Y	Q-o-Q	Mar-21	Mar-22	Y-o-Y
GMV	₹ '000 Cr	127	250	259	104%	4%	403	852	111%
Merchant Transactions	million	2,084	3,477	4,142	99%	19%	5,872	12,598	115%
Total Transactions	million	2,558	4,266	5,029	97%	18%	7,405	15,396	108%
MTU (avg over the period)	million	50.4	64.4	70.9	41%	10%	45.1	60.8	35%
Monthly GMV per MTU	₹	8,389	12,950	12,173	45%	(6%)	7,468	11,680	57%
Registered Merchants (end of period)	million	21.1	24.9	26.7	na	na	21.1	26.7	na
Number of Loans Disbursed	'000	1,381	4,414	6,544	374%	48%	2,635	15,232	478%
Devices Deployed	million	0.8	2.0	2.9	na	na	0.8	2.9	na
Average number of Sales employees	#	7,346	18,691	22,249	203%	19%	5,054	14,682	190%

# 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	Average GMV per transacting user in a 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.
EBITDA (before ESOP cost)	EBITDA (before ESOP cost) is a Non-GAAP financial measure. We define EBITDA (before ESOP cost) as our loss 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.

Thank you

