



May 23, 2023

**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.: Conference Call - Presentation**

Dear Sir/ Ma'am,

This is in continuation to our letter dated May 9, 2023 regarding schedule of Analysts' and Investors' Meetings/ Conferences, please find enclosed copy of the presentation made at the Keynote speaker session during the Jefferies India Forum scheduled on May 23, 2023.

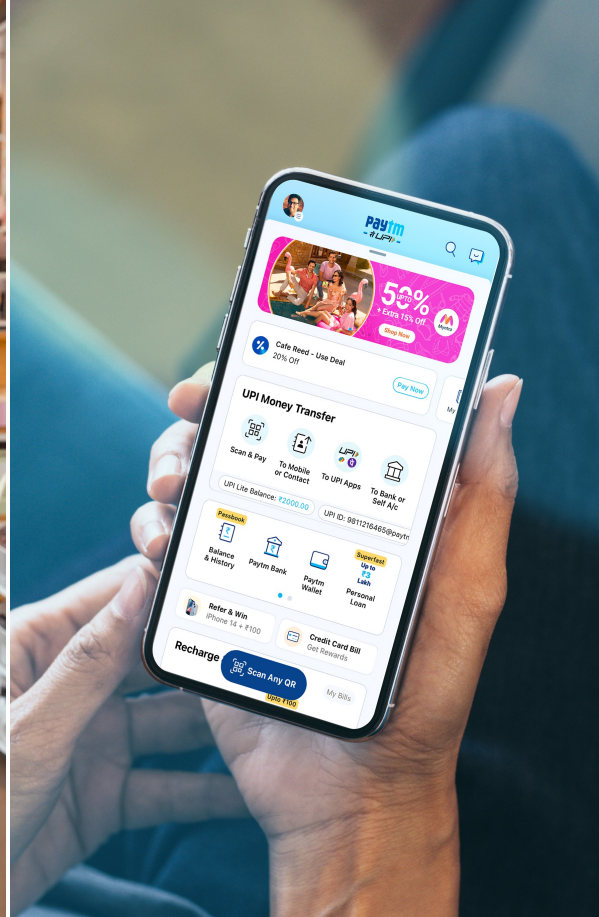
Kindly take the same on record.

Thanking you

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

**Madhur Deora**  
**Executive Director, President & Group CFO**

*Encl.: As Above*



# Investor Presentation - USD

May 2023



# Disclaimer



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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.

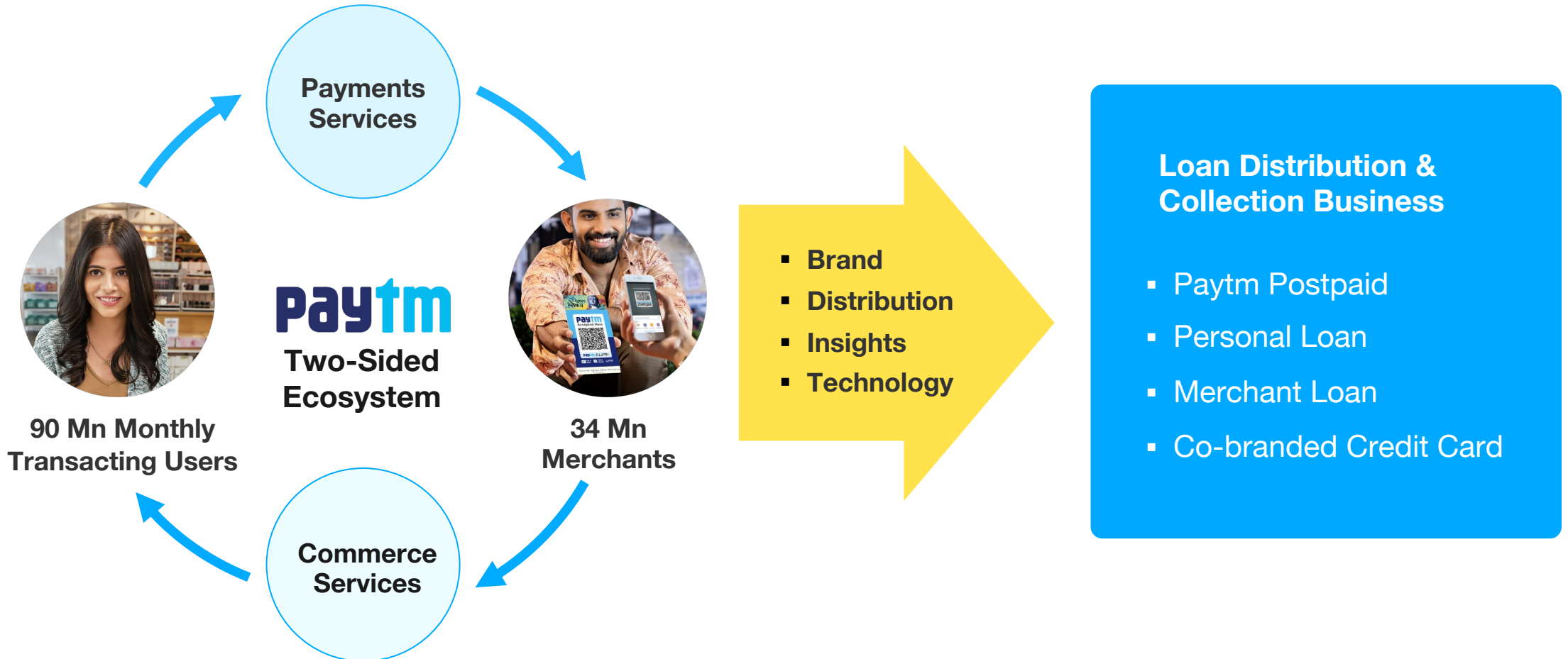
We have converted financial amounts from ₹ millions into ₹ Cr and hence there could be some totaling anomalies in the numbers. ₹ amounts converted to \$ using exchange rate of 1 USD = 82.18 INR



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



# Our Core Business is to Acquire Customers for Payments and Distribute + Collect Loans

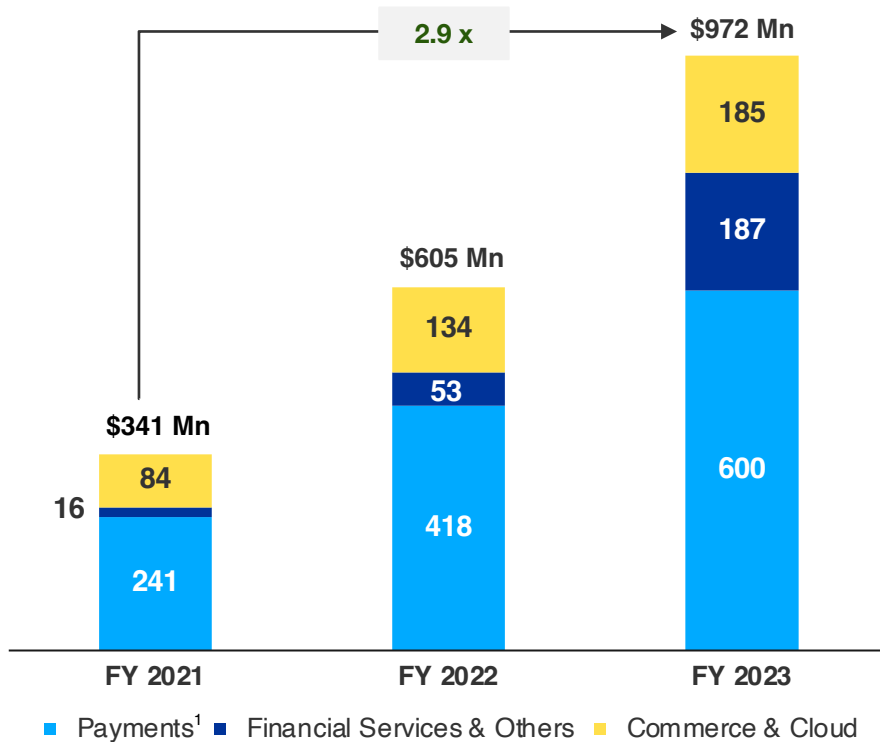


Note: Monthly Transacting Users (MTU) and merchant data for Q4 FY 2023

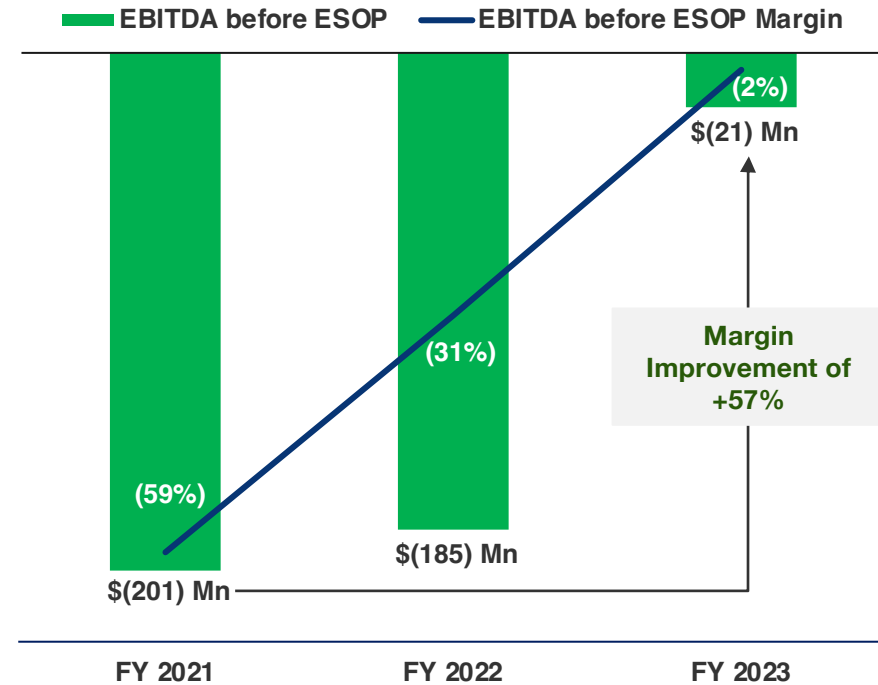
# Our Revenues have scaled multifold, while improving profitability



Q4 FY 2023 Revenues<sup>2</sup> of \$284 Mn, growth of 51% YoY



Q4 FY 2023 EBITDA before ESOP<sup>2</sup> of \$28 Mn, improved by \$73 Mn YoY



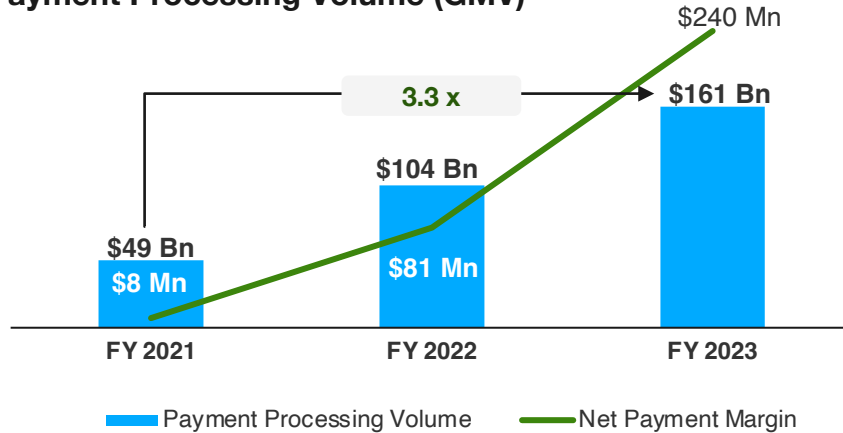
<sup>1</sup> Includes Other Operating revenue, as it relates to the Payments business. Other Operating Revenue was nil in FY 2021, \$1 Mn in FY 2022 and \$10 Mn in FY 2023

<sup>2</sup> Includes \$16mn of UPI incentive for Q1-Q3 FY 2023

# We monetize payment through subscription and payment processing margin



## Payment Processing Volume (GMV)



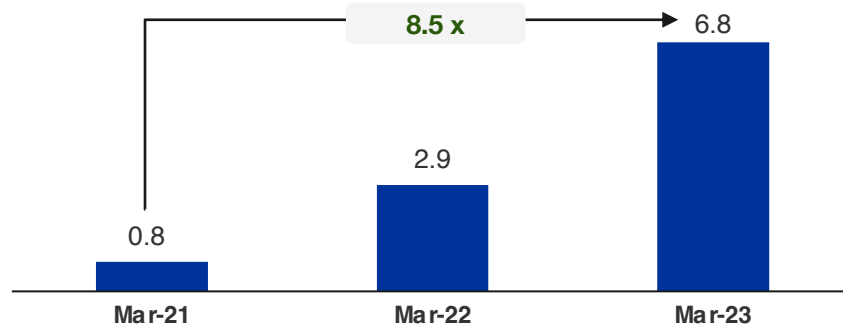
## Payment Processing Margin

For online and offline merchants, we process payments using UPI, Wallet, Postpaid, Cards and EMI

- We make payment processing margin of 7 to 9 bps on GMV, of which UPI is 3 to 4 bps and other instruments is 15 to 18 bps
- Since UPI is growing faster than other instruments, we expect blended margin to stabilize at 5 to 7 bps



## Subscription Paying Merchants (Mn)



## Subscription Revenues

- We earn ₹100 to ₹500 (\$1.2 to \$6) per month subscription per active device
- Various additional incentives from bank partners, regulators (RBI, NABARD etc.) are also earned for select deployment

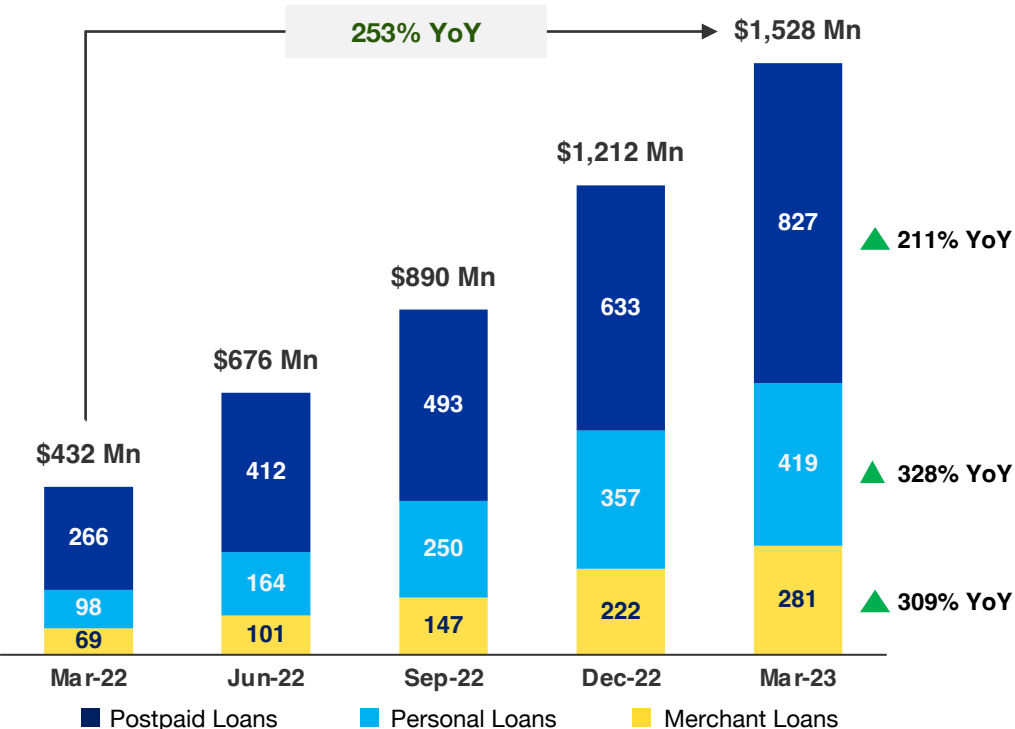


Net Payments Margin = Payments revenues (including other operating revenue) - Payments processing charges

# Our consumers and merchants offer large TAM for distribution and collection of loans from our lender partners



Value of loans distributed through Paytm platform



Product	Penetration <sup>1</sup>	Product Features
Postpaid	4.3% of MTU	<ul style="list-style-type: none"> <li>Consumption credit for small ticket purchases</li> <li>Average ticket size \$70, monthly billing</li> <li>Accepted by 19 Mn merchants</li> </ul>
Personal Loan	0.9% of MTU	<ul style="list-style-type: none"> <li>Average ticket size \$1600, 15 months tenure</li> <li>Cross sell opportunities continue with over 40% of loans to existing Postpaid users</li> </ul>
Merchant Loan	5.9% of device merchants	<ul style="list-style-type: none"> <li>Daily repayment working capital loan</li> <li>Average ticket size \$2000, 13 months tenure</li> <li>Device merchants accounted for more than 85% of disbursements; Repeat rate of 45%</li> </ul>

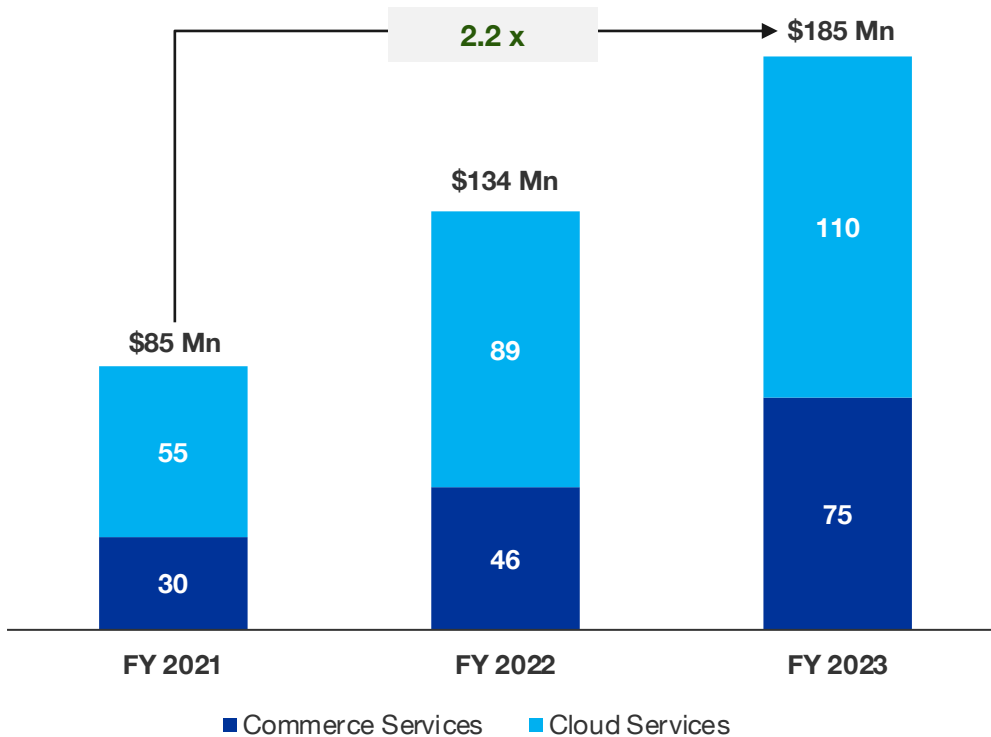
<sup>1</sup>Calculation of penetration- Postpaid: Avg monthly number of loans in a quarter as a % of that quarter's avg MTU; Personal Loans: Number of loans disbursed in last 12 months as a % of avg MTU in Q4 FY 2023; Merchant loans: Number of loans disbursed in last 12 months as % of devices deployed at end of Q4 FY 2023



# Commerce & Cloud: We enable commerce and offer marketing services to businesses



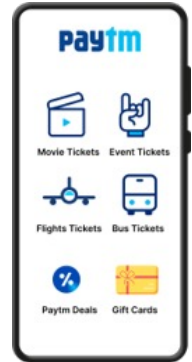
## Commerce & Cloud Revenues



## Commerce

We sell travel, movies and event ticketing and deals, gift vouchers to customers

- Paytm app is a destination for our merchants to get more business
- Commerce business is being run with cash profitability
- Commerce revenue take rate is ~5-6% of GMV



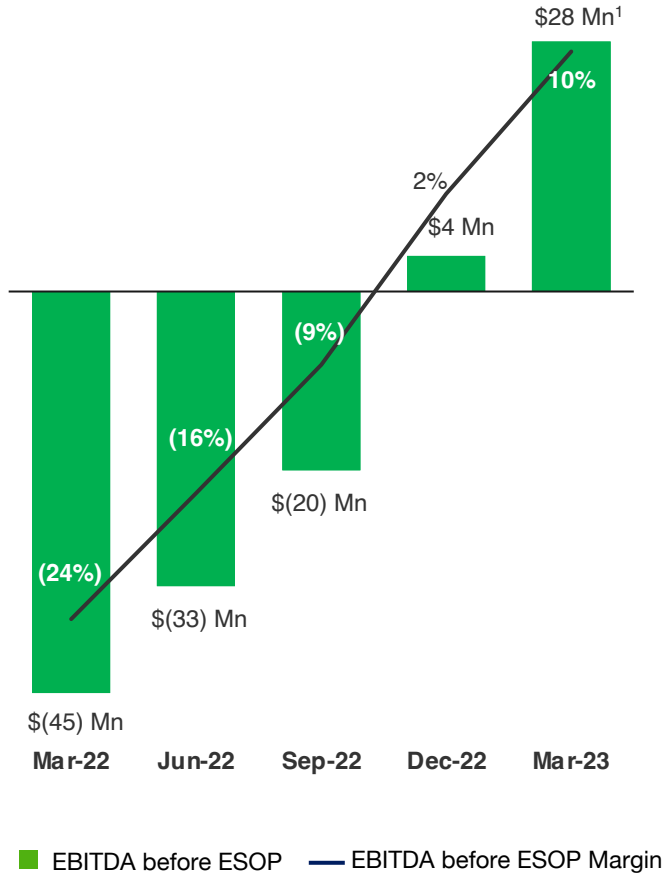
## Cloud

We offer advertising, marketing loyalty services to various enterprises and distribute co-branded credit cards

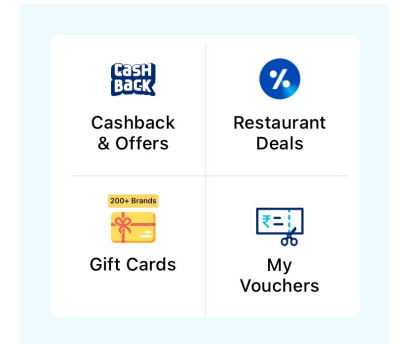
- Co-branded credit cards continue to scale well; activated ~0.59 Mn cards till Mar 2023



# Future Growth Drivers



1. Mobile payments just took off in our country. India could have more than **500 Mn payment consumers** and **100 Mn merchants** in near term
2. **Multiple payment** instrument UPI, Wallet, Postpaid, EMI, Debit Card and Credit Card give unique advantage to Paytm over other UPI only apps
3. Our **large portfolio of devices** addresses the potential of 100 Mn merchants in India
4. **More NBFC and Bank** partners expand our opportunity to distribute loans through Paytm platform
5. **Enabling Commerce** through Paytm consumer app creates more merchant lock-in and generates more revenue for us



1. Includes \$16mn of UPI incentive for Q1-Q3 FY 2023



शुभ  
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30%

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you!

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