BUY (Maintain)

CMP: **INR 745** Target Price: **INR 900 (INR 1,226)** ▲ 21%

ICICI Securities

ICICI Securities Limited is the author and distributor of this report

24 October 2024

India | Equity Research | Q2FY25 results review

One 97 Communications

Financial Services

EBITDA growth outlook strong basis scope and levers

We are positive on One 97 Communications (PAYTM) driven by its (1) ability to grow revenue through avenues like merchant/customer addition, increase in depth and scope of financial services, improving monetisation of payment services and (2) scope to improve cost through automation and efficiency as exhibited in Q2FY25 which should lead to strong growth in EBITDA, which we expect to move from INR (7.3bn) in H1FY25 to INR 14.6bn in FY27E. Strong balance sheet (cash of INR 100bn H1FY25) and segments like customer side UPI and payment gateway offer strong growth optionalities. The transition to TPAP-based business model with 4 bank partners adds element of de-risking as well as diversification which makes business model robust, more so after the experience of migration. We recommend **BUY.**

Recommend BUY with a target price of INR 900

We have factored in ~21% CAGR in GMV between FY24-27E (registered 66% CAGR between FY21-FY24) and expect net payment take rates (ex UPI and subscription incentive) to be ~3.5bps for FY25/26/27E in line with company guidance. We expect financial services income to record 13.1% CAGR between FY24-27E, driven by ~16.8% CAGR in disbursement during the same period and growth in equity broking and insurance distribution segments (FY24 had a high base). We expect contribution margin ex of UPI incentives to be 52.8/54.0/54.1% in FY25/FY26/27E. Driven by strong optimisation, we factor fixed costs ex ESOPs to be ~INR 48.5bn/50.3bn/53.2bn in FY25/26/27E and we estimate adjusted EBITDA (ex-ESOP) of INR (-7.9bn)/5bn/14.6bn for FY25/26/27E, respectively. Our adjusted EBITDA includes UPI incentive (INR 3bn/3.5bn/4bn in FY25/26/27E) but excludes ESOPs (INR 9.4/5.7bn/2.4bn in FY25/26E/FY27E).

We recommend **BUY** with a TP of INR 900. We value PAYTM basis a 35x multiple on adjusted EBITDA of INR 14.6bn in FY27E plus current cash of INR 100bn. We believe the company can command a 35x EBITDA multiple basis its ability to exhibit strong EBITDA CAGR (we expect EBITDA to move from INR (7.3bn) in H1FY25 to INR 14.6bn in FY27E). We move from DCF to multiple based valuation as profit realisation is expected to happen in near future.

Financial Summary

Y/E March (INR mn)	FY24A	FY25E	FY26E	FY27E
Net Revenue	99,782	74,187	99,412	1,21,859
Contribution Margin	55.5	54.7	55.7	55.6
Adjusted EBITDA (Ex ESOPs)	5,584	(7,914)	4,997	14,610
Adjusted EBITDA Margin (%)	5.6	(10.7)	5.0	12.0
Adjusted Net Profit	424	(8,488)	5,498	15,096
Net Profit	(14,224)	(4,484)	(172)	12,675
GMV (INR Bn)	18,340	20,296	27,603	32,571
Loan Disbursements (INR bn)	524	241	346	432
Price/Sales (x)	5.1	6.8	5.1	4.2
Price/Book (x)	3.8	3.7	3.5	3.2

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Market Data

Market Cap (INR)	474bn
Market Cap (USD)	5,643mn
Bloomberg Code	PAYTM IN
Reuters Code	PAYT BO
52-week Range (INR)	992 /310
Free Float (%)	50.0
ADTV-3M (mn) (USD)	92.8

Price Performance (%)	3m	6m	12m
Absolute	63.0	94.7	(19.3)
Relative to Sensex	63.4	86.1	(43.4)

ESG Score	2021	2022	Change
ESG score	-	-	-
Environment	-	-	-
Social	-	-	-
Governance	-	-	-

Note - Score ranges from 0 - 100 with a higher number indicating a higher ESG score.

Source: SES ESG, I-sec research

Previous Reports

22-01-2024: Q3FY25 results review

23-10-2023: Q2FY24 results review

Operating metrics show stable to improving trends

Monthly Transaction User (MTU): MTU declined 25.3% YoY and 9% QoQ to 71mn in Q2FY25 (68mn in Sep'24). MTU declined 32% from Jan'24 levels due to the pause in new user sign-ups for TPAP app and voluntary user attrition. While it stabilised in Jun'24, it declined in Q2FY25. However, NPCI's approval to onboard new UPI customers received by PAYTM on 22 Oct'24 should provide a trigger for growth in coming quarters.

Gross Merchant Value: Total GMV for Q2FY25 stood at INR 4.47trn (up 4.9% QoQ and 17.6% YoY excluding discontinued products). GMV for continued products in Q2FY25 was higher than Q3FY24 GMV of INR 4.3trn (last quarter before RBI action). The company expects this trend in GMV growth to continue, and accelerate in Q3FY25 due to the festive season.

Merchant additions: Total devices deployed as of Q2FY25 stood at 11.2mn. 0.3mn devices were deployed in Q2FY25 vs 1.3mn in Q2FY24. The active device merchant base declined by ~1mn due to higher attrition in Feb/Mar'24. However, new subscription paying device merchant sign ups has surpassed Jan'24 levels. The company plans to pick up inactive devices and redeploy them after refurbishment over the next 2-3 quarters, which may help in reducing capex. This could lead to higher active merchant base and higher revenue going ahead.

UPI market share (NPCI data): UPI market share for PAYTM saw some stabilisation in Sep'24. UPI value market share for PAYTM has declined from 10.31% in Jan'24 to 5.55% in Aug'24 whereas UPI value market share for PAYTM has declined from 12.37% in Jan'24 to 7.3% in Aug'24. Sep'24 saw UPI value and volume market share for PAYTM remaining stable at 5.53% and 7.2%. respectively.

We believe PAYTM is on track to reach EBITDA profitability in FY25

Payment business margins remain in guided zone

Gross payment margin (ex of subscription charges and UPI incentive) declined in Q2FY25 to 14.9bps vs 15.6bps in Q1FY25 while net payment margin (ex of subscription charges and UPI incentive) declined to 3.34bps in Q2FY25 vs 3.5bps in Q1FY25. Margins are in line with management guidance of ~3-3.5bps net payment margin ex of UPI incentive. The company expects net payment processing margin (including UPI incentive) to be in the range of 5-6 bps for the year.

Payment processing charges were INR 5.1bn, flat on QoQ basis. The company was able to significantly improve payment processing margin because of control over payment gateway cost. Payment processing charges as a % of GMV declined to 0.116% in Q2FY25 vs 0.121% in Q1FY25. Management expects payment processing margin to be at similar levels going ahead.

Payment services revenue in Q2FY25 increased 7% QoQ to INR 9.5bn. The company also sees additional monetisation opportunities on Soundbox. It has piloted advertisements through Soundbox which seamlessly integrate branding between companies and consumers. PAYTM has partnered with several brands, including Meesho, Coca-cola, Mondelez and Dabur, among others for Soundbox ads.

PAYTM forays into DLG loans; strong growth expected in financial services as only 0.6mn customers are being cross-sold as of Q2FY25

Total value of loans distributed increased 5.5% QoQ to INR 53bn in Q2FY25 while revenue from financial services increased 34% QoQ to INR 3.8bn. Strong growth in revenue was because of increase in collection bonus in merchant loans and higher share of merchant loans, which have higher take rate.

Merchant loans: Value of merchant loans increased 31% QoQ to INR 33bn. About 50% of loans distributed are to repeat borrowers. From Aug'24, company has started distributing merchant loans under the Default Loss Guarantee (DLG) model with one of its partners. In DLG loans, PAYTM pays an upfront DLG to its partners. The amount paid by PAYTM to partners is expensed by PAYTM on an upfront basis in other direct expenses. On such loans, PAYTM will earn an upfront sourcing fee and also earn collection revenue throughout the tenure of the loan. Management expects net take rates (ex of DLG costs) to be above 5%.

Personal loans: Value of personal loans decreased 21% QoQ INR 19.8bn. The reduction is on account of tightening risk policies by lenders which is consistent with industry-wide trends. The company continues to expand partnerships with banks and non-banks and sees long-term opportunity in this space.

Insurance distribution: In insurance distribution, company's focus remains on product innovation for seamless distribution and claims experience for merchants and consumers. On health front, it is offering differentiated products combining health insurance, healthcare and OPD benefits.

Equity broking and mutual fund distribution: PAYTM's equity broking and mutual fund distribution businesses continues to scale well. It is expanding the distribution of mutual funds by leveraging SIPs and other wealth management products.

Financial services customer count: Starting Q2FY25, company has started disclosing the number of key financial services customers. These are unique consumers and merchants who have availed PAYTM and group entity's financial services offerings (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 or any attachment insurance products which contribute negligible revenue/profitability. In Q2FY25, PAYTM had 0.6mn key financial customers vs 0.59mn in Q1FY25.

Credit card distribution continued to scale, with 1.38mn activated credit cards as of Sep'24. PAYTM has added five partners in the last three quarters.

Contribution margin increases to 54% in Q2FY25; company guides this to be a sustainable level going ahead

Contribution margin increased in Q2FY25 to 54% vs 50.5% in Q1FY25. Contribution margin increased despite including DLG cost upfront in Q2FY25 due to lower payment processing charges and growth in high margin financial services revenue. Direct expenses were lower in the form of (1) **payment processing charges** which were flat at INR 5.1bn, despite strong growth in payments revenue, (2) **promotional cashbacks & incentives** which was down 35% QoQ in Q2FY25 to INR 290mn, (less than 1bps of GMV, due to lower promotional activity). This will increase once the company starts onboarding new customers. (3) **Other direct expenses** increased 19% QoQ to INR 2.2bn in Q2FY25 largely due to cost towards DLG. Excluding DLG costs, it declined due to efficiency gains across businesses.

Adjusted EBITDA and consolidated loss narrow down on account of strong fixed cost optimisation

Fixed cost (ex ESOPs) decreased 17% QoQ in Q2FY25 to INR 10.7bn vs INR 13bn in Q1FY25. Adjusted EBITDA for ESOPS stood at INR (1.8bn) in Q2FY25 vs INR (5.5bn) in Q1FY25. PAYTM reported exceptional gain of INR 13.4bn in Q2FY25 on account of sale of ticketing business to Zomato. Adjusted for that, PAYTM reported loss of INR 4.2bn in Q2FY25 vs loss of INR 8.4bn in Q1FY25.

Cash balance boosts from sale of entertainment ticketing business to Zomato

Cash balance for PAYTM stood at INR 99.9bn as on Q2FY25, as compared to INR 81.1bn as on Q1FY25. The above excludes Paytm Money Ltd (PML) customer funds of INR 4.1bn for Q2FY25 and INR 4.5bn for Q1FY25. The increase in cash balance was primarily on account of INR 20.1bn cash received during the quarter towards the sale of entertainment ticketing business.

Key regulatory approvals received by PAYTM post RBI press release

- In Mar'24, NPCI had granted the approval to PAYTM to participate in UPI as a TPAP under the multi-bank model (Link). This allowed PAYTM to directly participate in UPI customer business as TPAP like other popular UPI apps in the industry. Post the approval, PAYTM had completed the migration of 135mn UPI customers to TPAP app in partnership with leading banks like SBI, HDFC Bank, Axis Bank, and Yes Bank.
- In Aug'24, Government of India also approved downstream investment from One 97 Communications Limited into a wholly-owned subsidiary, Paytm Payments Services Limited (PPSL) (Link). Post the FDI approval, PPSL has resubmitted its PA application to RBI. PPSL continues to provide payment aggregation services to its existing online merchants.
- On 22 Oct'24, PAYTM received the long-awaited approval from NPCI to onboard new UPI users (Link). NPCI has now allowed PAYTM the onboarding of new UPI users on Paytm app, which was stopped as per RBI directions dated 31 Jan'24 and 16 Feb'24. This approval, in a way, marks the end of past troubles for PAYTM as it embarks itself on a new journey of UPI Third Party Application Provider (TPAP). PAYTM now plans to go ahead with marketing to get sizable market share of UPI customer transactions.

We estimate PAYTM to reach adjusted EBITDA before ESOPs of ~INR 15bn in FY27E; walkthrough of key assumptions

GMV – GMV has remained tepid for PAYTM for the last two quarters due disruption in wallet (both add money to wallet, and usage of wallet at merchants), and reduction in other payment business which contributed 12% of GMV in Jan'24. Post the migration of 135mn customers to PAYTM TPAP app and approval from NPCI to onboard new customers, we expect strong growth in GMV from Q3FY25E. We estimate GMV of INR 20.3trn/27.6trn/32.6trn in FY25/26/27E vs INR 8.7trn in H1FY25.

Net payment margin – Net payment margin for PAYTM declined sharply from Q1FY25 as 80-85% of payments GMV post Feb'24 is coming from UPI. UPI payments have different MDR and interchanges depending on payment source (for e.g., linked bank account, RuPay credit card, etc). For payments made directly from a bank account, PAYTM receives an incentive from the government at the end of the year. However, MDR for prepaid on UPI, credit/overdraft on UPI, or charges for credit card on UPI for amounts exceeding INR 2,000 are paid by merchants from settlement.

Management has guided for overall payment processing margin for the year to be 5-6 bps of GMV including UPI incentives and to be 3-3.5bps of GMV excluding UPI incentives. We factor net payments margin on similar lines.

Merchant devices – Merchant device addition had slowed down for PAYTM due to process of migration and reactivation of old merchants in H1FY25. We factor a pickup in addition from Q3FY25. We factor total merchant additions of 1.2mn/ 3.2mn/4mn in FY25/26/27E vs 0.5mn in H1FY25.

Payments revenue – We estimate gross payments revenue of INR 44.1bn/59.8bn/72.2bn in FY25/26/27E vs INR 18.3bn in H1FY25. We estimate net payments revenue (ex of UPI incentive and subscription revenue) of INR 7.5bn/9.5bn/11.3bn in FY25/26/27E vs INR 3bn in H1FY25

Loan disbursals and financial services revenue– Disbursals of merchant loans have picked up pace for PAYTM while personal loans remain tepid due to overall systemic stress in unsecured lending. With the start of DLG loans for merchants, we expect higher growth in merchant loans compared to personals loans going ahead. We estimate total loan disbursals of INR 241bn/346bn/432bn in FY25/26/27E vs INR 103bn in H1FY25. We estimate total revenue from financial services to be INR 16.3bn/22.4bn/28.9bn in FY25/26/27E vs INR 6.6bn in H1FY25. There may be tailwinds from increasing insurance distribution and broking contribution.

Marketing services revenue – In Q2FY25, PAYTM sold its entertainment ticketing business to Zomato. Ticketing business had revenue of INR 320mn in Q2FY25. We estimate total revenue in this segment to be INR 12.5bn/15.6bn/19bn in FY25/26/27E vs INR 6.2bn in H1FY25.

Contribution margin - Contribution margin increased in Q2FY25 to 54% vs 50.5% in Q1FY25. We factor contribution margin (ex of UPI incentive) of 52.8%/54%/54.1% in FY25/26/27E vs 52.2% in H1FY25. With UPI incentives, we factor contribution margin of 54.7%/55.7%/55.6% in FY25/26/27E.

Fixed costs (ex ESOPs) – Fixed costs decreased 17% QoQ for PAYTM in Q2FY25 on account of strong cost optimisation (AI initiatives have been an instrumental driver). Management has guided that Q2FY25 would be the new base for fixed costs going ahead but the company will continue to find new ways of optimisation to reduce costs not necessarily in people, but on operating costs which are beyond people cost. We estimate fixed cost ex ESOPs of INR 48.5bn/50.3bn/53.2bn in FY25/26/27E vs INR 23.8bn in H1FY25.

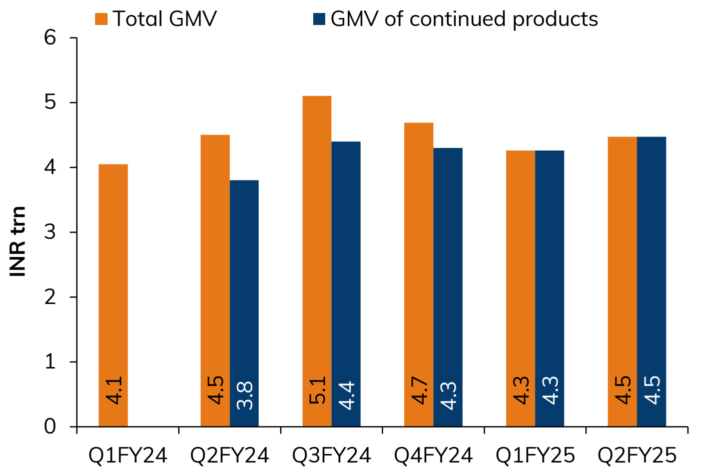
Adjusted EBITDA - We estimate adjusted EBITDA for ESOPs of INR (7.9bn)/5bn/14.6bn in FY25/26/27E vs INR (7.3bn) in H1FY25.

Exhibit 1: Q2FY25 result review

Income statement (INR mn)	Q2FY25	Q2FY24	% Change YoY	Q1FY25	% Change QoQ
Payment and financial services	**13,220**	**19,180**	**-31.1%**	**11,640**	**13.6%**
Payment Service revenue	9,460	14,420	-34.4%	8,840	7.0%
- Payment services to consumers	-	5,240	-100.0%	830	-100.0%
- Payment services to merchants	-	9,180	-100.0%	8,010	-100.0%
Financial Service revenue	3,760	4,760	-21.0%	2,800	34.3%
Commerce and cloud services	**3,015**	**3,910**	**-22.9%**	**3,216**	**-6.3%**
-Commerce revenue	1,026	1,680	-38.9%	1,092	-6.1%
-Cloud revenue	1,989	2,230	-10.8%	2,124	-6.3%
Other operating revenue	360	250	44.0%	160	125.0%
Revenue from operations	**16,595**	**23,340**	**-28.9%**	**15,016**	**10.5%**
Payment processing charges	5,168	7,800	-33.7%	5,171	-0.1%
Promotional cashbacks and incentives	290	780	-62.8%	440	-34.1%
Other expenses	2,200	1,930	14.0%	1,850	18.9%
Contribution Profit	**8,937**	**12,830**	**-30.3%**	**7,555**	**18.3%**
Other Marketing & promotional expenses	1,254	1,265	-0.9%	1,774	-29.3%
Employee benefits expense excluding ESOP	6,130	6,139	-0.1%	7,055	-13.1%
Software, cloud and data centre expenses	1,578	1,880	-16.1%	1,824	-13.5%
Other expense	1,828	1,209	51.2%	2,354	-22.3%
Adjusted EBITDA	**-1,853**	**2,337**	**179.3%**	**-5,452**	**-66.0%**
ESOP Expense	2,180	3,630	-39.9%	2,470	-11.7%
EBITDA	**-4,033**	**-1,293**	**-211.9%**	**-7,922**	**49.1%**
Depreciation and amortisation expense	1,786	1,598	11.8%	1,784	0.1%
Finance costs	34	71	-52.1%	42	-19.0%
Other income	1,745	1,301	34.1%	1,375	26.9%
PBT	**-4,108**	**-1,661**	**-147.3%**	**-8,373**	**50.9%**
Share of profit / (loss) of associates / joint ventures/Others	43	-23	287.0%	-13	430.8%
Exceptional items	13,454	-		-	
Tax Expense	89	-7	-1371.4%	15	493.3%
PAT	**9,300**	**-1,677**	**654.6%**	**-8,401**	**210.7%**
Ratios as %age of operating revenue					
Contribution margin	53.9%	55.0%	-112 bps	50.3%	354 bps
EBITDA margin	-24.3%	-5.5%	-1877 bps	-52.8%	2845 bps
Adjusted EBITDA margin	-11.2%	10.0%	-2118 bps	-36.3%	2514 bps
PAT margin	56.0%	-7.2%	6322 bps	-55.9%	11198 bps
Payment take rates					
GMV (INR bn)	4470	3620	23%	4260	4.9%
Payment service revenues	9,460	12,600	-25%	8,840	7.0%
Number of devices	11.20	6.80	65%	10.90	2.8%
Subscription charges	2,800	2,040	37%	2,180	28.4%
Payment service revenues (ex subs revenues)	6,660	10,560	-37%	6,660	0.0%
% OF GMV	0.15%	0.29%	-15 bps	0.16%	-1 bps
Payment processing charges	5,168	7,800	-34%	5,171	-0.1%
% OF GMV	0.12%	0.22%	-10 bps	0.12%	-1 bps
Net payment margin	**0.033%**	**0.076%**	**-5 bps**	**0.035%**	**-1 bps**
Financial services	52,800	1,25,540	-58%	50,080	5.4%
Revenue from Financial services	3,760	4,760	-21%	2,800	34.3%
Financial services take rate	**7.12%**	**3.79%**	**332 bps**	**5.59%**	**153 bps**

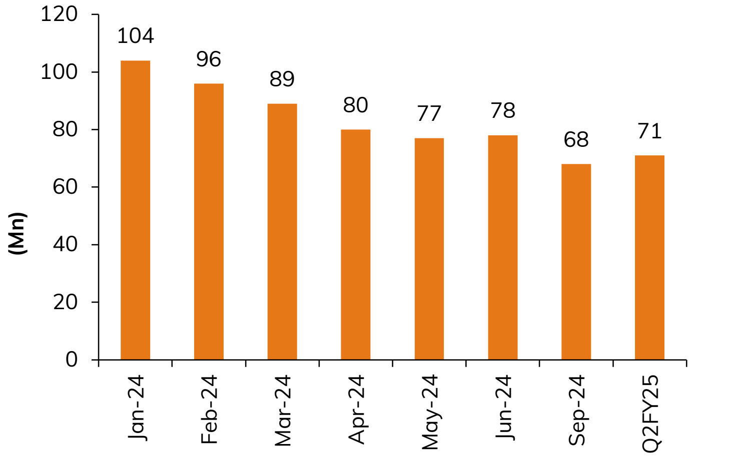
Source: I-Sec research, Company data

Exhibit 2: GMV of continued products was higher in Q2FY25 than Q3FY24 (last quarter before RBI issue)



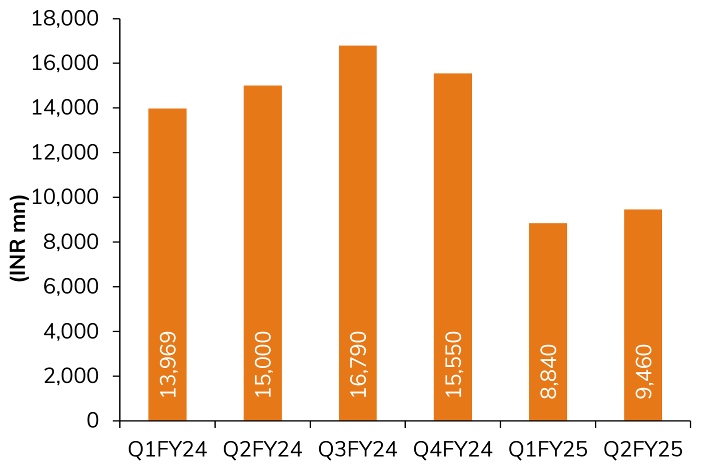
Source: I-Sec research, Company data

Exhibit 3: MTU stabilised in Jun'24 but declined again in Q2FY25



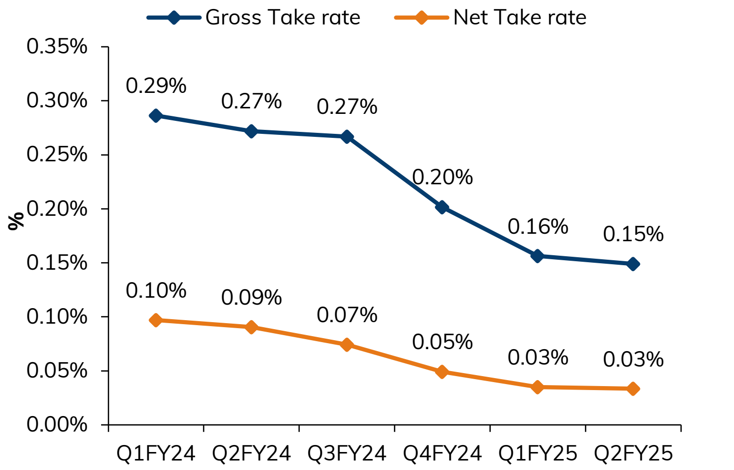
Source: I-Sec research, Company data

Exhibit 4: Payments revenue has declined post disruptions in Feb'24



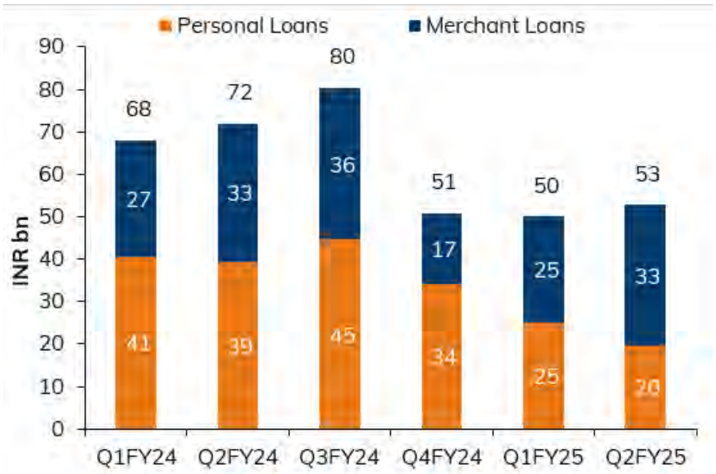
Source: I-Sec research, Company data

Exhibit 5: Payments take rates (ex of UPI incentive and subscription revenue) have declined post disruptions in Feb'24



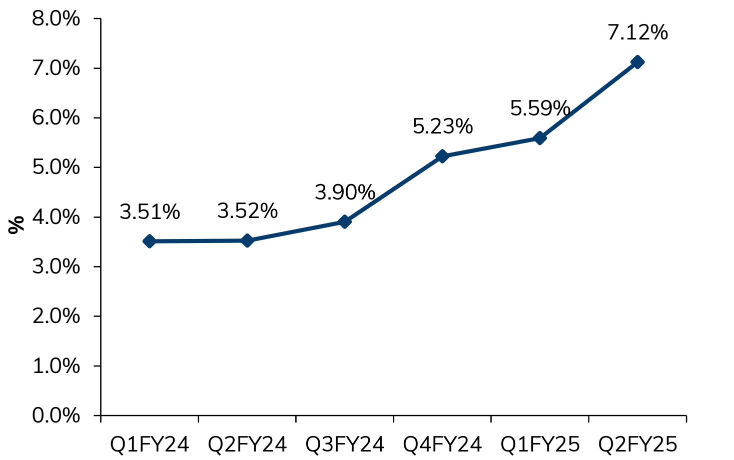
Source: I-Sec research, Company data

Exhibit 6: Disbursements of merchant loans saw strong tractions while personal loans remain muted



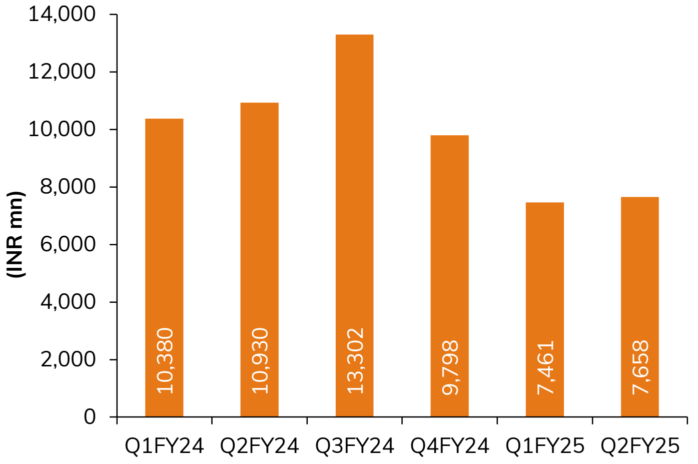
Source: I-Sec research, Company data

Exhibit 7: Total financial services revenue take rate as a % of loans disbursed



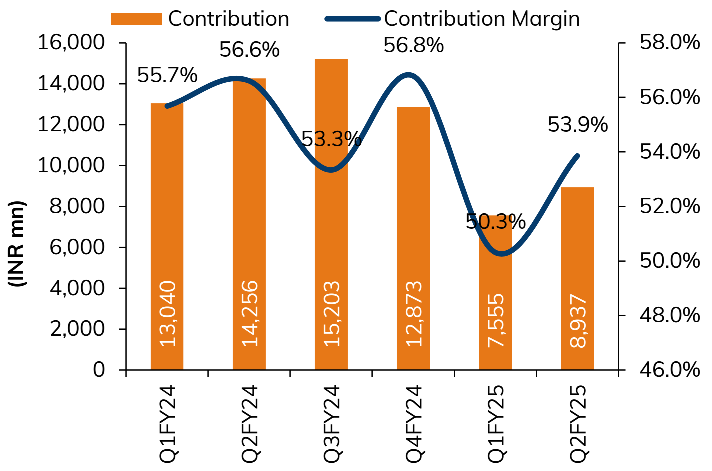
Source: I-Sec research, Company data

Exhibit 8: Direct expenses remained flat despite higher GMV and DLG costs



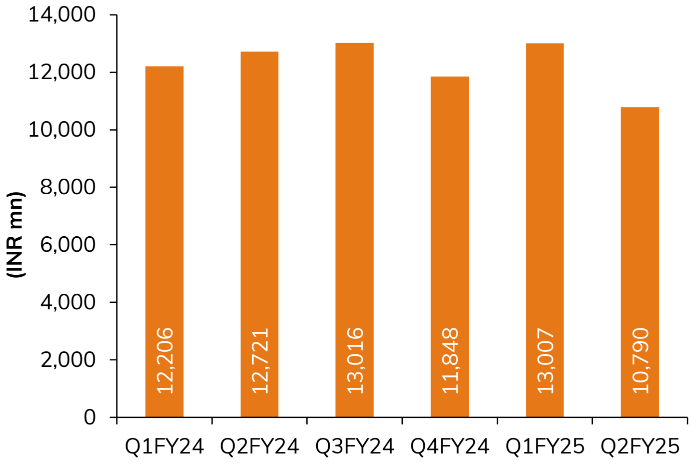
Source: I-Sec research, Company data

Exhibit 9: Contribution margin increased in Q2FY25



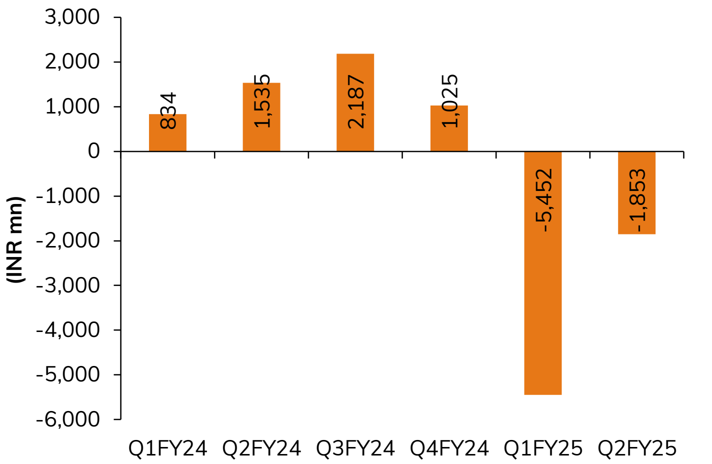
Source: I-Sec research, Company data

Exhibit 10: Fixed costs ex ESOPs declined due to strong cost optimisation



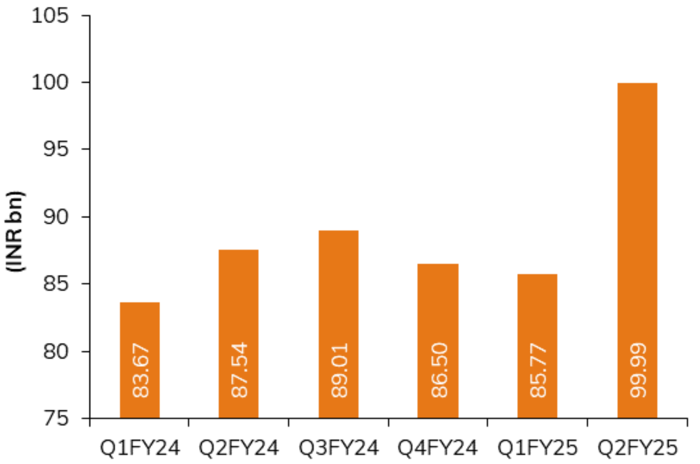
Source: I-Sec research, Company data

Exhibit 11: Adjusted EBITDA for ESOPs trend



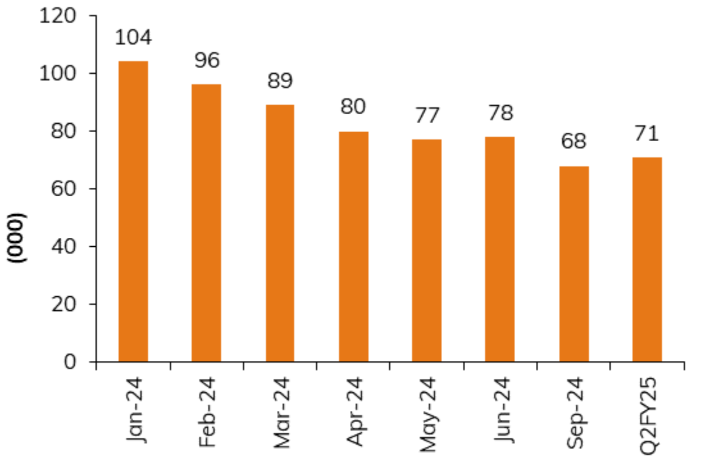
Source: I-Sec research, Company data

Exhibit 12: Cash balance for PAYTM increased post sale of ticketing business



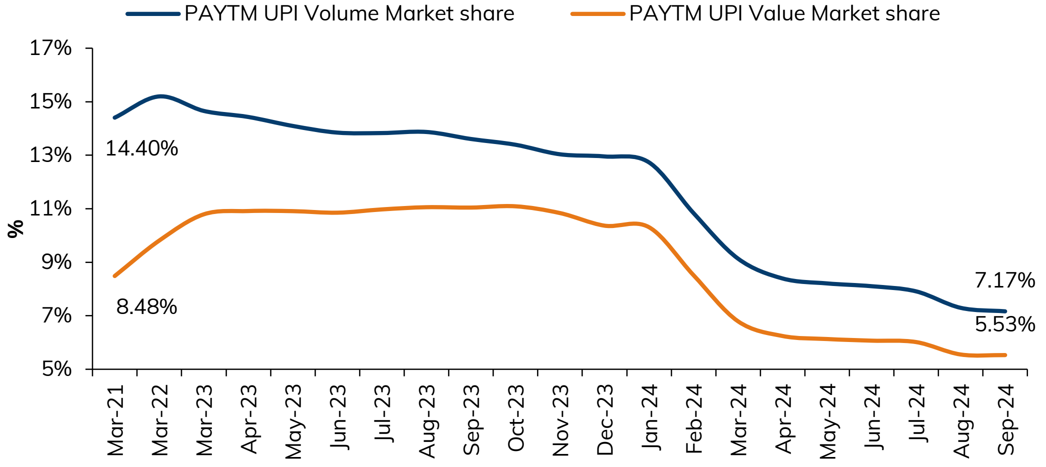
Source: I-Sec research, Company data

Exhibit 13: No. of payments customers to whom financial services were cross-sold



Source: I-Sec research, Company data

Exhibit 14: UPI value and volume market share started to stabilise from Sep'24



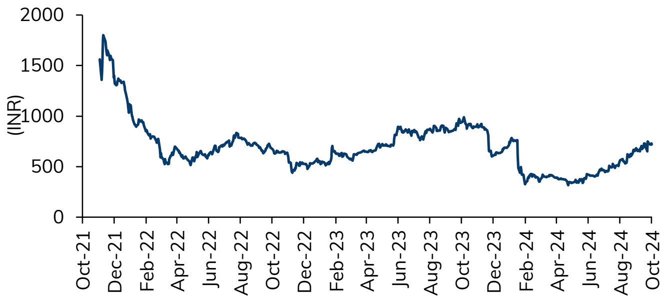
Source: I-Sec research, NPCI

Exhibit 15: Shareholding pattern

%	Mar '24	Jun'24	Sep'24
Promoters	0.0	0.0	0.0
Institutional investors	67.3	65.4	63.8
MFs and others	6.2	6.8	7.9
FIs/Banks	0.7	0.2	0.3
Insurance	0.0	0.0	0.1
FIIs	60.4	58.4	55.5
Others	32.7	34.6	36.2

Source: Bloomberg

Exhibit 16: Price chart



Source: Bloomberg

Financial Summary

Exhibit 17: Profit & Loss

(INR mn, year ending March)

	FY24A	FY25E	FY26E	FY27E
Net Sales	**99,782**	**74,187**	**99,412**	**1,21,859**
Operating Expenses	64,442	57,959	56,003	55,615
EBITDA	**(9,064)**	**(17,364)**	**(673)**	**12,190**
EBITDA Margin (%)	(9.1)	(23.4)	(0.7)	10.0
Adjusted EBITDA (Ex ESOPs)	**5,584**	**(7,914)**	**4,997**	**14,610**
Adjusted EBITDA Margin	5.6	(10.7)	5.0	12.0
Depreciation & Amortization	7,357	7,136	7,493	7,868
EBIT	(16,421)	(24,501)	(8,166)	4,322
Interest expenditure	243	207	227	239
Other Non-operating Income	5,469	6,672	8,007	8,647
Share from Associates	(377)	123	215	204
Reported PBT	**(11,195)**	**(18,035)**	**(386)**	**12,730**
Net Income (Reported)	**(14,224)**	**(4,484)**	**(172)**	**12,675**
Net Income (Adjusted)	**424**	**(8,488)**	**5,498**	**15,096**

Source Company data, I-Sec research

Exhibit 18: Balance sheet

(INR mn, year ending March)

	FY24A	FY25E	FY26E	FY27E
Total Current Assets	98,297	1,13,212	1,19,178	1,05,984
of which cash & cash eqv.	52,462	64,757	68,126	51,527
Total Current Liabilities & Provisions	35,153	39,096	43,565	48,957
Net Current Assets	**63,144**	**74,116**	**75,613**	**57,027**
Investments	46,283	35,501	37,282	28,380
Net Fixed Assets	11,770	15,234	16,393	17,609
ROU Assets	-	-	-	-
Capital Work-in-Progress	-	-	-	-
Total Intangible Assets	443	443	443	443
Other assets	14,598	16,221	17,621	59,360
Deferred Tax assets	-	-	-	-
Total Assets	**1,36,238**	**1,41,515**	**1,47,352**	**1,62,819**
Liabilities				
Borrowings	**-**	**-**	**-**	**-**
Deferred Tax Liability	**-**	**-**	**-**	**-**
provisions	-	-	-	-
other Liabilities	3,254	3,554	3,882	4,241
Equity Share Capital	636	642	649	655
Reserves & Surplus	1,32,630	1,37,610	1,43,113	1,58,189
Total Net Worth	**1,33,266**	**1,38,252**	**1,43,762**	**1,58,844**
Minority Interest	(282)	(291)	(291)	(266)
Total Liabilities	**1,36,238**	**1,41,515**	**1,47,352**	**1,62,819**

Source Company data, I-Sec research

Exhibit 19: Key ratios

(Year ending March)

	FY24A	FY25E	FY26E	FY27E
Growth Ratios (In %)				
GMV	37.9	10.7	36.0	18.0
Loans	48.1	(53.9)	43.1	25.0
Total revenue from operations	24.9	(25.7)	34.0	22.6
Contribution Profit	42.0	(26.7)	36.3	22.5
Adjusted EBITDA	(418.2)	(241.7)	(163.1)	192.3
Margins (in %)				
Contribution margin	55	55	56	56
EBITDA margin	(9)	(23)	(1)	10
Adjusted EBITDA margin	5.6	(10.7)	5.0	12.0
PAT margin	(14.3)	(6.0)	(0.2)	10.4
ROE	(10.8)	(3.3)	(0.1)	8.4
Per Share Ratios				
EPS (Basic)	(22.3)	(7.0)	(0.3)	19.3
EPS (Diluted)	(20.9)	(6.6)	(0.3)	18.6
BVPS	196.3	203.6	211.7	233.9
EBITDA per share	(13.3)	(25.6)	(1.0)	18.0
Op. revenue per share	147.0	109.3	146.4	179.5
Valuation ratios				
Price / Sales	5.1	6.8	5.1	4.2
Price / Book	3.8	3.7	3.5	3.2

Source Company data, I-Sec research

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