

One 97 Communications

Estimate change	↔
TP change	↑
Rating change	↔

CMP: INR1051

TP: INR1025 (-2%)

Neutral

Cost control drives maiden operational profits

Revenue in line; contribution profit expands sharply

- One 97 Communications (PAYTM) reported a net profit of INR1.2b in 1QFY26 (vs. our estimate of INR24m). PAT came in higher than our estimate owing to lower expenses related to default loss guarantee (DLG), collections, and ESOP. Payment revenue stood flat QoQ at INR10.4b, while financial services revenue increased by 3% QoQ to INR5.6b.
- Total revenue was flat QoQ (up 28% YoY) at INR19.1b (in line), while GMV grew by 6% QoQ to INR5.4t (up 27% YoY). Payment devices grew 5% QoQ (19% YoY) to 13m, while registered merchants increased by 2% QoQ (9% YoY), leading to healthy subscription and payment revenue.
- Net payment margin declined 8% QoQ (up 38% YoY) to INR5.3b/10bp of GMV vs. 11bp in 4QFY25. Lower DLG-related costs led to 7% QoQ growth in contribution profit to INR11.5b (up 53% YoY).
- We maintain our contribution profit estimates and project PAYTM to turn EBITDA positive by FY26. **We value PAYTM at INR1,025 based on 21x FY27E EBITDA, which corresponds to 6.8x FY27E sales. We reiterate our NEUTRAL rating on the stock.**

Merchant expansion on track; focus remains on cost optimization

- PAYTM reported a net profit of INR1.2b in 1QFY26 (vs. our est. of INR24m), aided by lower costs related to DLG, collections and ESOP. GMV increased by a healthy 6% QoQ (up 27% YoY) to INR5.4t.
- For FY26E, we expect EBITDA to break even at INR0.6b and PAT at INR4b.
- For 1Q, PAYTM's DLG business had a trail revenue, whereas DLG-related costs were absent as DLG-related loan disbursements were low.**
- Total revenue was flat QoQ (up 28% YoY) at INR19.1b (in line). Payment revenue was flat QoQ/up 18% YoY, while financial services revenue grew 3% QoQ. As a result, payment and financial services revenue grew 1% QoQ (up 38% YoY).
- Marketing services revenue declined 7% QoQ/23% YoY to INR2.5b.
- Payment processing margin stood comfortably above the guided range of 3bp. Net payment margin declined 8% QoQ (up 38% YoY) to INR5.3b/10bp of GMV vs. 11bp in 4QFY25.
- Going ahead, the company expects a higher share of non-DLG disbursements, which will reduce the upfront DLG cost and lifetime revenue by corresponding amount, thus growth in financial services will be lower sequentially.
- Direct expenses declined 9% QoQ (up 3% YoY), due to the absence of DLG-related cost. Contribution profit rose 7% QoQ (up 53% YoY), with contribution profit margin up 60.1% (vs. 56.1% in 4QFY25) due to the absence of DLG-related cost. EBITDA stood at INR0.7b (vs. our est. loss of INR0.7b). ESOP costs of INR300m came in below our est. of INR955m.
- PAYTM has stopped giving the loan disbursement data. In 1Q, the company saw robust growth in ML disbursements under the non-DLG model. In personal loans, the company saw early signs of recovery in the credit cycle, leading to higher disbursements sequentially.

Bloomberg	PAYTM IN
Equity Shares (m)	638
M.Cap.(INRb)/(USD\$)	670.9 / 7.8
52-Week Range (INR)	1063 / 437
1, 6, 12 Rel. Per (%)	21/17/130
12M Avg Val (INR M)	6734

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
Revenue from Op	69.0	83.7	101.5
Contribution Profit	36.8	46.8	58.6
Adjusted EBITDA	(6.9)	2.7	9.0
EBITDA	(15.1)	0.6	7.5
PAT	(6.6)	4.0	9.9
EPS (INR)	(10.4)	6.1	14.8
EPS Gr. (%)	NM	NM	141.8

Ratios

Contribution Margin (%)	53.3	55.9	57.7
EBITDA Margin (%)	(21.8)	0.7	7.4
Adj. EBITDA Margin (%)	(10.0)	3.3	8.8
RoE (%)	(4.7)	2.6	6.4
RoA (%)	(3.6)	1.9	4.3

Valuations

P/E(X)	NA	172.3	71.2
P/BV (X)	4.5	4.5	4.5
P/Sales (X)	9.7	8.2	6.9

Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	0.0	0.0	0.0
DII	15.8	14.0	7.2
FII	54.9	55.4	58.2
Others	29.3	30.6	34.6

FII Includes depository receipts

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Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Highlights from the management commentary

- Contribution margin stood at 60% in 1QFY26, which PAYTM expects to maintain in the high-50s in FY26.
- In consumer lending, the company has faced challenges, though it expects better monetization in the next 6-12 months.
- AUM of its partner portfolio business was down by 40%, as there was a reduction in FLDG disbursements.
- The company expects better retention in the soundbox segment amid increasing features and offerings. PAYTM continues to focus on refurbishments, which will help in cost rationalization going ahead.

Valuation and view

- PAYTM reported a steady quarter with in-line revenue, while tighter cost control led to a healthy profit for the company.
- Disbursement commentary was steady, while MTU witnessed a steady-state recovery. GMV recovery too was better than expected.
- PAYTM is making steady progress toward profitability, underpinned by its strategic shift toward financial services and disciplined cost management.
- Contribution margin expanded to 60.1% thanks to cost control. Disbursement growth is expected to remain healthy going ahead given improving tailwinds in unsecured lending. We estimate a 35% CAGR in disbursements over FY25-28, with healthy take rates expected.
- PAYTM's INR161b cash cushion offers comfort; consistent delivery is critical for sustainable shareholder returns.
- We maintain our contribution profit estimates and project PAYTM to turn EBITDA positive by FY26. **We value PAYTM at INR1,025 based on 21x FY27E EBITDA, which corresponds to 6.8x FY27E sales. We reiterate our Neutral rating on the stock.**

Quarterly Performance

(INR b)

	FY25				FY26E				FY25	FY26E	FY26E	V/s our
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	Est
Payment Services to Consumers	0.8	0.9	0.9	1.0	1.0	1.2	1.3	1.5	4.0	4.9	1.0	-0.0
Payment Services to Merchants	8.0	8.6	9.1	9.5	9.5	9.5	10.4	11.2	34.8	40.5	8.9	0.1
Financial Services and Others	2.8	3.8	5.0	5.5	5.6	5.7	5.8	5.9	17.0	23.0	5.7	-0.0
Payment and Financial Services	11.6	13.2	15.1	15.9	16.1	16.3	17.5	18.6	55.8	68.5	15.6	0.0
% Change (Y-o-Y)	-39.3	-36.2	-34.2	-14.4	37.9	23.5	16.1	16.9	-31.3	22.6	34.2	0.1
Commerce and Cloud Services	3.2	3.0	2.7	2.7	2.5	3.2	3.5	4.1	11.6	13.3	2.9	-0.1
% Change (Y-o-Y)	-20.7	-28.8	-48.1	-32.4	-23.1	7.2	30.7	54.4	-33.4	15.0	-10.4	1.2
Revenue from Operations	15.0	16.6	18.3	19.1	19.2	20.0	21.5	23.0	69.0	83.7	19.0	0.0
% Change (Y-o-Y)	-35.9	-34.1	-35.9	-15.7	27.7	20.6	17.4	20.6	-30.8	21.3	26.3	0.1
Direct Expenses	7.5	7.7	8.7	8.4	7.7	8.8	9.4	11.1	32.2	37.0	8.4	-0.1
Contribution Profit	7.5	8.9	9.6	10.7	11.5	11.2	12.1	12.0	36.8	46.8	10.5	0.1
% Change (Y-o-Y)	-42.1	-37.3	-36.9	-16.7	52.5	25.1	26.1	11.5	-33.6	27.2	39.6	0.3
Indirect Expenses	13.0	10.8	10.0	9.9	10.5	10.7	11.3	11.5	43.7	44.0	10.3	0.0
Adjusted EBITDA	-5.5	-1.9	-0.4	0.8	1.0	0.5	0.8	0.4	-6.9	2.7	0.3	2.7
EBITDA	-7.9	-4.0	-2.2	-0.9	0.7	0.0	0.2	-0.4	-15.1	0.6	-0.7	
PAT	-8.4	-4.2	-2.1	-0.2	1.39	0.7	1.1	0.8	-6.6	4.0	0.0	
% Change (Y-o-Y)	134.7	45.5	-5.5	-96.1	-116.6	-116.1	-151.1	-487.2	-53.0	-159.9	-100.3	0.2
Adj. PAT	-8.4	9.3	-2.1	-5.4	1.23	0.7	1.1	0.8			0.0	
Operating Parameters												
GMV (INRt)	4.3	4.5	5.0	5.1	5.4	5.7	6.1	5.9	18.8	23.0	5.3	0.0
Disbursements (INR b)	50.1	52.8	55.8	57.4	0.0	0.0	0.0	295.1	216.2	295.1	62.5	-1.0
GMV Growth (%)	5.2	-0.7	-1.2	8.7	26.8	26.8	20.4	14.9	3.0	22.0	23.3	
Disbursements Growth (%)	-66.3	-67.4	-64.1	-1.1	-100.0	-100.0	-100.0	414.3	-58.7	36.5	24.9	
Profitability												-
Contribution Margin (%)	50.3	53.9	52.5	56.1	60.1	55.9	56.3	51.9	53.3	55.9	55.6	
Adjusted EBITDA Margin (%)	-36.4	-11.2	-2.2	4.2	5.3	2.5	3.6	1.9	-10.0	3.3	1.5	
EBITDA Margin (%)	-52.8	-24.3	-12.2	-4.6	3.7	-0.2	1.1	-1.5	-21.8	0.7	-3.6	

E: MOFSL Estimates

Quarterly Snapshot

Profit and Loss (INR m)	FY25				FY26	Change (%)	
	1Q	2Q	3Q	4Q	1Q	YoY	QoQ
Payment and Financial Services	11,640	13,220	15,050	15,910	16,050	38	1
Financial Services and Others	2,800	3,760	5,020	5,450	5,610	100	3
Commerce and Cloud Services	3,210	3,020	2,670	2,670	2,470	-23	-7
Total revenue from Operations	15,010	16,600	18,280	19,115	19,175	28	0
Direct Expenses	7,461	7,660	8,690	8,390	7,660	3	-9
Contribution Profit	7,549	8,940	9,590	10,725	11,515	53	7
Indirect Expenses	13,010	10,800	10,000	9,920	10,497	-19	6
Adjusted EBITDA	-5,461	-1,860	-410	805	1,018	NA	26
ESOP Expense	2,470	2,180	1,820	1,690	300	-88	-82
EBITDA	-7,931	-4,040	-2,230	-885	718	NA	NA
Depreciation and Amortization	1,780	1,790	1,650	1,500	1,660	-7	11
Other Income	1,380	1,750	1,890	2,240	2,414	75	8
PBT	-8,381	-4,070	-2,030	-185	1,432	NA	NA
Tax	20	90	50	30	40	100	33
PAT	-8,401	-4,160	-2,080	-215	1,392	NA	NA
Adj. PAT	-8,401	9,290	-2,080	-5,435	1,225	NA	NA
Key Metrics (INR b)							
GMV (INRt)	4.3	4.5	5.0	5.1	5.4	27	6
MTU (average over the period) (mn)	78.0	71.0	70.0	72.0	74.0	-5	3
Registered Merchants (mn)	41.2	42.0	43.0	44.0	45.0	9	2
Payment Devices (mn)	10.9	11.2	11.7	12.4	13.0	19	5
Ratios (%)	1Q	2Q	3Q	4Q	1Q	YoY (bp)	QoQ (bp)
Payment processing charges % of GMV (%)	0.12	0.12	0.11	0.10	0.11	-1	1
Net Payment Margin as % of GMV, bp	8.99	10.40	9.70	11.33	9.81	83	-152
Net Payment Margin (%)	43.3	49.2	48.8	55.3	50.8	745	-449
Contribution Margin (%)	50.3	53.9	52.5	56.1	60.1	976	394
Indirect Expense % of Revenues	86.7	65.1	54.7	51.9	54.7	-3,193	285
Adjusted EBITDA Margin (%)	-36.4	-11.2	-2.2	4.2	5.3	NA	110
EBITDA Margin (%)	-52.8	-24.3	-12.2	-4.6	3.7	NA	NA
PAT Margin (%)	-56.0	-25.1	-11.4	-1.1	7.3	NA	NA

E: MOFSL Estimates



Highlights from the management commentary

Revenue and expenses

- Contribution margin stood at 60%, which the company aims to maintain in the high-50s in FY26.
- Merchant subscriptions reached an all-time high of 13m, aided by high-quality devices and superior service network.
- The number of POS machines reached over ~1m. PAYTM has now started offering card sound box with a chip, which is being installed in enterprises.
- Payment business includes subscription and does not include financial services. It is a profitable business, and the company continues to believe that payment alone will be a big driver of profitability.
- Not actively pursuing cost-cutting, but investing in areas where there is future growth.
- Does not have significant amount of DLG so trail revenue will be a bit lower; therefore, the company guides for contribution margin in high-50s.
- Number of devices accepting credit card increased, which led to high payment processing margins. The company's QRs are accepting credit cards.
- UPI volume is not accounted for in any revenue, so yield is looking low currently.
- PAYTM does not plan to increase prices now, as competition is growing.
- In consumer credit, PAYTM is facing a little drag, though it will get a lot of monetization in the next ~6-12 months.
- EBITDA margin will see a significant improvement by FY26 end.
- GMV growth is driven by an expansion in its merchant base, and the company will be able to grow this by farming the current merchants and adding more merchants.
- EMI on devices will be considered payment revenue.
- There is a large opportunity on the card side and there will be developments in UPI. In the next 2-3 years, card acceptance will grow.
- In terms of app experience, over the last two quarters, PAYTM has made its payment offering much more prominent, as the company is aiming to retain consumers, which gives PAYTM the upsell opportunity.

DLG

- It is the same lender who has been forgoing DLG as the book has performed well and they are showing comfort.
- Partner portfolio (AUM) is down by 40%, so there has been reduction in FLDG disbursements.
- The reduction in expenses was due to cost rationalization. Collection cost is down as partner AUM has moderated.

Costs

- Increased automation is driving higher productivity. Operational capabilities are improving, and no one-off costs are expected going forward.
- Indirect expenses have declined as efficiency is improving. EBITDA margin expansion will come from high-margin revenue and discipline on indirect expenses.
- The company charges for the sound box in two years. It is increasing the features in the sound box, which will increase customer retention. They do more refurbishments than peers.

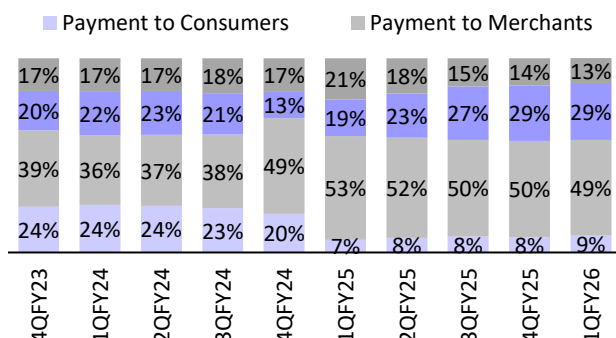
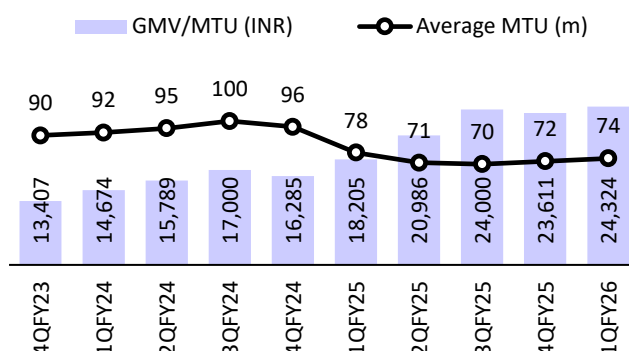
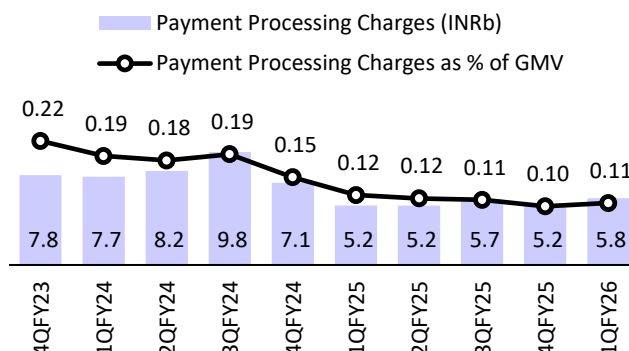
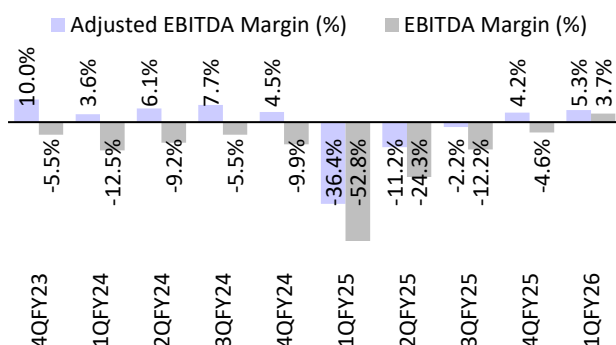
Lending business

- Personal and merchant loan mix is roughly the same as it was in previous quarters. Paytm is purely a distributor and so it has stopped reporting lending data.
- No significant recoveries can be seen; it has been linear.
- A small credit issue of less than INR50k was an overhang, and there is no other KPI related to wallet.
- When personal credit comes back, BNPL will also return.
- Paytm is lending 30-40% of capital availability. In merchant lending, the majority of business is repeat business.
- Merchant lending has been healthy. In terms of personal loans and credit cards, the company will wait for a recovery.
- On every internal process, they are focused on AI-driven solutions.
- Personal loan business – change will be cycle dependent, mostly 2-3 quarters away.
- MTU increase is not only due to the addition of customers but also higher retention and engagement of customers.

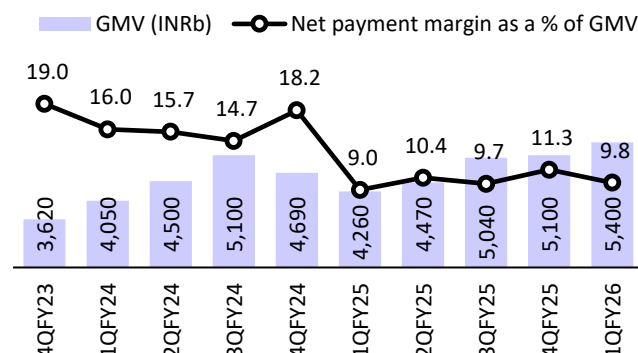
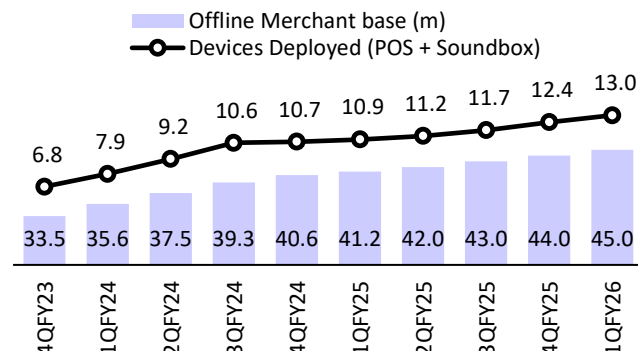
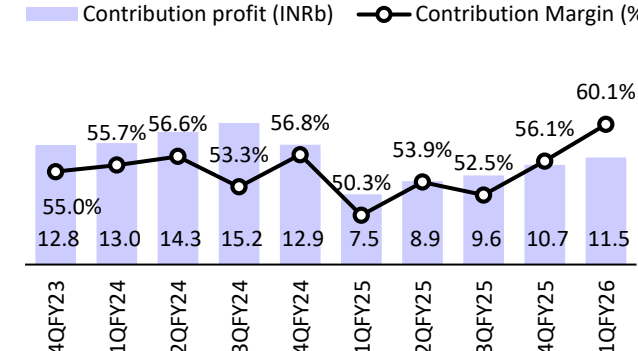
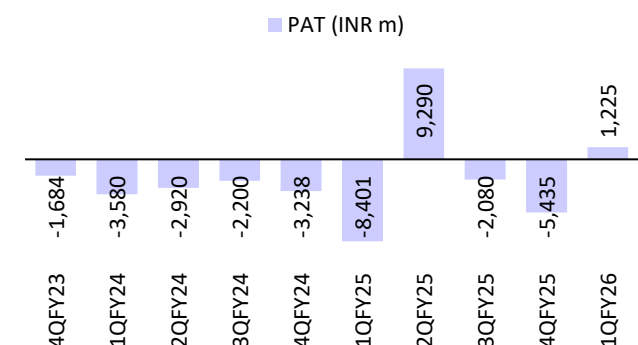
Others

The company sees potential of over 100m merchants, who will accept payments, and it believes that over a period of time, 40-50% of these merchants will need subscription services for managing their business needs.

Story in charts

Exhibit 1: Trend in segmental mix (%)

Exhibit 3: Average MTU improved to 74m in 1QFY26

Exhibit 5: Payment processing charges as % of GMV increased to 11bp

Exhibit 7: Adj EBITDA & EBITDA margin improved in 1QFY26


Source: MOFSL, Company

Exhibit 2: GMV up 27%YoY/6% QoQ to INR5.4t in 1QFY26

Exhibit 4: Merchant base grew to 45m in 1QFY26

Exhibit 6: Contribution margin expanded to 60.1% (56.1% as on 4QFY25)

Exhibit 8: 1QFY27 PAT turned positive for the company


Source: MOFSL, Company

Valuation and view: Reiterate NEUTRAL with a TP of INR1025

- PAYTM reported a steady quarter with in-line revenue, while tighter cost control led to healthy profits for the company.
- Disbursement commentary stood steady, while MTU witnessed a steady-state recovery. GMV recovery too was better than expected.
- PAYTM is making steady progress toward profitability, underpinned by its strategic shift toward financial services and disciplined cost management.
- Contribution margin expanded to 60.1% due to cost control. Disbursement growth is expected to remain healthy over the years given improving tailwinds in unsecured lending. We estimate a 35% CAGR in disbursements over FY25-28, with healthy take rates expected.
- Paytm's INR161b cash cushion offers comfort; consistent delivery is critical for sustainable shareholder returns.
- We maintain our contribution profit estimates and project PAYTM to turn EBITDA positive by FY26. **We value PAYTM at INR1,025 based on 21x FY27E EBITDA, which corresponds to 6.8x FY27E sales. We reiterate our Neutral rating on the stock.**

Exhibit 9: We maintain our estimates for Paytm

INR b	Old Estimates		New Estimates		Introduced	Change (%/bps)	
	FY26	FY27	FY26	FY27		FY26	FY27
Payment and Financial Services	68.0	82.9	68.5	83.6	103.1	0.6	0.8
Commerce and Cloud Services	13.4	15.7	13.3	15.6	18.2	-0.9	-0.9
Revenue from Operations	83.4	101.0	83.7	101.5	124.3	0.4	0.5
Direct Expenses	36.7	42.8	37.0	42.9	52.6	0.7	0.3
Contribution Profit	46.7	58.2	46.8	58.6	71.6	0.1	0.7
Indirect Expenses	44.3	49.6	44.0	49.7	56.2	-0.5	0.1
Adjusted EBITDA	2.4	8.6	2.7	9.0	15.4	11.8	4.3
EBITDA	-1.4	6.2	0.6	7.5	14.6	NA	NA
PAT	1.9	8.6	4.0	9.9	15.8	NA	NA
GMV (INRt)	22.6	27.6	23.0	28.1	34.3	1.7	1.8
Disbursements	296	400	295	399	535	-0.4	-0.2
Contribution Margin (%)	56.0	57.6	55.9	57.7	57.6	-13	9
Adjusted EBITDA Margin (%)	2.9	8.5	3.3	8.8	12.4	33	32
EBITDA Margin (%)	-1.6	6.1	0.7	7.4	11.8	233	126
PAT Margin (%)	2.3	8.6	4.7	9.7	12.7	246	118

Source: MOFSL, Company

Financials and valuations

Income Statement						(INRb)
Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Payment Services to Consumers	21.1	21.7	4.0	4.9	7.0	8.9
Payment Services to Merchants	27.4	39.6	34.8	40.5	49.4	60.0
Financial Services and Others	15.4	20.0	17.0	23.0	27.1	34.2
Payment and Financial Services	63.8	81.3	55.8	68.5	83.6	103.1
Growth (%)	65.5	27.4	-31.3	22.6	22.1	23.4
Commerce	6.2	7.0	0.0	0.0	0.0	0.0
Cloud	9.0	10.3	0.0	0.0	0.0	0.0
Commerce and Cloud Services	15.2	17.4	11.6	13.3	15.6	18.2
Growth (%)	37.6	14.4	-33.4	15.0	17.0	17.0
Other Operating Revenue	0.9	1.1	1.6	2.0	2.4	2.9
Revenue from Operations	79.9	99.8	69.0	83.7	101.5	124.3
Growth (%)	60.6	24.9	-30.8	21.3	21.3	22.4
Payment processing charges	29.6	32.8	21.2	24.6	28.1	36.0
Promotional cashback & incentives	5.0	3.1	1.5	1.8	2.3	2.7
Other Expenses	6.3	8.5	9.5	10.5	12.5	13.9
Direct Expenses	40.9	44.4	32.2	37.0	42.9	52.6
Growth (%)	17.7	8.6	-27.4	14.7	16.1	22.6
Contribution Profit	39.0	55.4	36.8	46.8	58.6	71.6
Growth (%)	160.4	42.0	-33.6	27.2	25.3	22.2
Marketing	5.7	6.1	5.1	4.8	6.0	7.2
Employee cost (Excl ESOPs)	23.2	31.2	24.7	24.5	27.2	30.4
Software, cloud and data center	6.9	6.4	6.4	6.8	7.5	8.3
Other indirect expenses	4.9	6.0	7.5	7.9	9.0	10.3
Indirect Expenses	40.8	49.8	43.7	44.0	49.7	56.2
Growth (%)	35.2	22.1	-12.2	0.8	12.8	13.2
Adjusted EBITDA	-1.8	5.6	-6.9	2.7	9.0	15.4
Growth (%)	-88.4	-418.2	-223.7	-139.6	227.0	71.9
ESOP Expense	14.6	14.7	8.2	2.2	1.5	0.8
EBITDA	-16.3	-9.1	-15.1	0.6	7.5	14.6
Growth (%)	-29.9	-44.4	66.1	-103.8	1,192.5	95.5
Finance Costs	0.2	0.2	0.2	0.2	0.2	0.3
Depreciation and Amortization Expenses	4.9	7.4	6.7	5.7	6.5	7.4
Other Income	4.1	5.5	7.2	9.1	9.6	10.2
PBT	-17	-11	-15	4	10	17
Share of (profit)/loss of associates/JV	0.1	0.4	0.0	0.0	0.0	0.0
Exceptional items	0.0	2.2	8.2	0.0	0.0	0.0
Tax	0.3	0.3	0.2	-0.2	0.5	1.4
PAT	-17.8	-14.1	-6.6	4.0	9.9	15.8
Growth (%)	-25.7	-20.6	-53.0	-159.9	148.9	59.8
Balance Sheet						
Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Share Capital	0.6	0.6	0.6	0.7	0.7	0.7
Reserves & Surplus	129.5	132.6	149.6	151.6	156.6	164.5
Non Controlling Interest	-0.2	-0.3	-0.3	-0.3	-0.4	-0.4
Net Worth	129.9	133.0	150.0	151.9	156.9	164.7
Non-Current Liabilities	6.4	5.9	0.4	0.4	0.4	0.4
Current Liabilities	43.3	32.5	42.5	67.9	77.5	86.0
Total Liabilities	179.7	171.4	192.8	220.3	234.8	251.2
Fixed Assets	12.2	12.6	13.1	13.7	14.4	15.1
Investments	13.2	22.6	24.8	27.8	30.5	33.6
Other Non-Current Assets	8.7	11.6	13.3	14.8	16.6	18.6
Non-Current Assets	36.6	47.2	51.6	56.3	61.5	67.3
Investments	11.2	23.3	15.9	15.9	15.9	15.9
Cash and Bank Balances	103.8	73.0	95.3	113.9	118.3	122.9
Other Current Assets	28.0	27.9	30.0	34.1	39.0	45.1
Current Assets	143.0	124.2	141.2	164.0	173.3	183.8
Total Assets	179.7	171.4	192.8	220.3	234.8	251.2

Financials and valuations

Key Operating Metrics

Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
GMV (INRt)	13.2	18.3	18.8	23.0	28.1	34.3
Disbursements (INR b)	353.8	523.7	216.2	295.1	398.9	534.6
Net Payment Margins (INRm)	18.9	28.5	7.4	9.0	14.5	17.0
Revenue from Operations Mix (%)						
Payment Services to Consumers	27%	23%	8%	8%	9%	10%
Payment Services to Merchants	34%	40%	50%	48%	49%	48%
Financial Services and Others	19%	20%	25%	27%	27%	28%
Payment and Financial Services	81%	83%	83%	84%	85%	85%
Commerce	8%	7%	0%	0%	0%	0%
Cloud	11%	10%	0%	0%	0%	0%
Commerce and Cloud Services	19%	17%	17%	16%	15%	15%

E: MOFSL Estimates

Ratios

Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Payment Services to Consumers % of GMV	0.16	0.12	0.02	0.02	0.03	0.03
Payment Services to Merchants % of GMV	0.21	0.22	0.18	0.18	0.18	0.18
Take rates - Financial Services (%)	0.004	0.004	0.008	0.008	0.007	0.006
Payment processing charges % of GMV	0.22	0.18	0.11	0.11	0.10	0.11
Net Payment Margin (%)	0.14	0.16	0.04	0.04	0.05	0.05
Direct Expense % of Revenues	51.2	44.5	46.7	44.1	42.3	42.4
Contribution Margin (%)	48.8	55.5	53.3	55.9	57.7	57.6
Indirect Expense % of Revenues	51.0	49.9	63.3	52.6	48.9	45.3
EBITDA Margin (%)	-20.4	-9.1	-21.8	0.7	7.4	11.8
Adjusted EBITDA Margin (%)	-2.2	5.6	-10.0	3.3	8.8	12.4
PAT Margin (%)	-22.2	-14.1	-9.6	4.7	9.7	12.7

Valuation	FY23	FY24	FY25	FY26E	FY27E	FY28E
RoE	-13.1	-10.7	-4.7	2.6	6.4	9.8
RoA	-9.9	-8.0	-3.6	1.9	4.3	6.5
Sales per share (INR)	126	157	108	129	152	183
Growth (%)	64.4	24.5	-31.1	19.1	17.8	20.6
Price-Sales (x)	8.4	6.7	9.7	8.2	6.9	5.8
Book Value per share (INR)	205	209	235	234	234	243
Growth (%)	-5.9	2.0	12.4	-0.6	0.3	3.5
Price-BV (x)	5.1	5.0	4.5	4.5	4.5	4.3
EBITDA per share (INR)	-26	-14	-24	1	11	22
Price-EBITDA (x)	NA	NA	NA	1183.3	94.2	48.9
EPS (INR)	-28.0	-22.2	-10.4	6.1	14.8	23.3
Growth (%)	-24.0	-20.8	-53.1	-158.8	141.8	57.5
Price-Earnings (x)	NA	NA	NA	172.3	71.2	45.2

E: MOFSL Estimates

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