

One 97 Communications Limited.

Accumulate

Sector: Other Financial Services

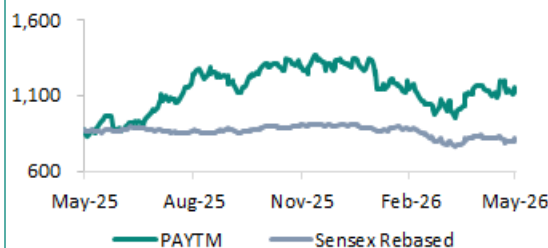
20th May, 2026

Key Changes	Target ▼	Rating ▲	Earnings ▼	Target	Rs. 1,302
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame
Mid Cap	PAYTM:IN	75,318	PAYTM	543396	12 Months
				CMP	Rs. 1,154
				Return	+13%

Data as of: 20-May-2026, 17:00 hrs

Company Data			
Market Cap (Rs.cr)	73,854		
52 Week High — Low (Rs.)	1,382 - 818		
Enterprise Value (Rs. cr)	70,739		
Outstanding Shares (cr)	64.0		
Free Float (%)	65.5		
Dividend Yield (%)	0.0		
6m average volume (cr)	0.4		
Beta	1.3		
Face value (Rs.)	2.0		
Shareholding (%)	Q2FY26	Q3FY26	Q4FY26
Promoters	0.0	0.0	0.0
FII's	51.7	51.8	49.4
MFs/Institutions	20.0	20.3	23.1
Public	12.6	12.3	11.8
Others	15.8	15.6	15.7
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil
Price Performance	3 Month	6 Month	1 Year
Absolute Return	0.1%	-10.1%	35.7%
Absolute Sensex	-7.4%	-10.5%	-5.6%
Relative Return	7.5%	0.3%	41.3%

*over or under performance to benchmark index



Y.E March (Rs. cr)	FY26A	FY27E	FY28E
Sales	8,437	10,325	12,815
Growth (%)	22.3	22.4	24.1
EBITDA	502	1,176	2,024
EBITDA Margin (%)	5.9	11.4	15.8
PAT Adjusted	739	1,199	2,057
Growth (%)	-149.9	62.3	71.5
Adjusted EPS	11.5	18.7	32.1
Growth (%)	-149.7	62.3	71.5
P/E	83.0	61.6	35.9
P/B	3.8	4.3	3.8
EV/EBITDA	115.7	60.1	35.2
ROE (%)	3.4	6.9	10.6
D/E	0.0	0.0	0.0

Paytm Targets Top-Five Wealth Rank

One 97 Communications Limited (Paytm) operates a digital payments and financial services platform, offering merchant payment solutions, loan distribution, wealth products and commerce services across consumers and merchants.

- Revenue from operations grew 18.4% YoY to Rs. 2,264cr, driven by strong growth in payment services and financial services distribution, supported by higher merchant monetisation and improving business momentum.
- Revenue from the payments business grew 25% YoY to Rs. 583cr, driven by 27% YoY growth in merchant gross merchandise value (GMV), payment margin expansion above 4bps and continued market share gains.
- Revenue from distribution of financial services business grew 38% YoY to Rs. 750cr, driven by scaling merchant loans, strong postpaid traction, recovery in personal loans and improving monetisation in wealth products.
- Merchant GMV grew 27% YoY to Rs. 6.5lakh cr, led by higher merchant additions and stronger payment volumes.
- Adjusted EBITDA improved to Rs. 132cr YoY from -Rs. 88cr in Q4FY26, while margins were 5.8% compared with -4.6% in Q4FY25, supported by strong revenue growth and a reduction in employee benefit expenses and other expenses.

Outlook & valuation

Paytm reported healthy growth across merchant payments and financial services distribution, supported by improving merchant monetisation, sustained market share gains and recovery in lending distribution business. The management expects revenue growth acceleration with continued EBITDA margin expansion over the medium term. Going forward, the company expects momentum from artificial intelligence (AI)-led personalisation, wealth management scaling as the third growth pillar, recovery in marketing services, disciplined pricing across payment instruments, and the deployment of AI agents for merchant retention. Strategic focus on high-margin distribution businesses, progressive mitigation of regulatory headwinds and operational efficiencies are expected to support gradual improvement in profitability. Hence, **we upgrade our rating to Accumulate on the stock, with a revised target price of Rs. 1,302. based on 6.5x FY28E price-to-sales ratio.**

Quarterly Financial Consolidated

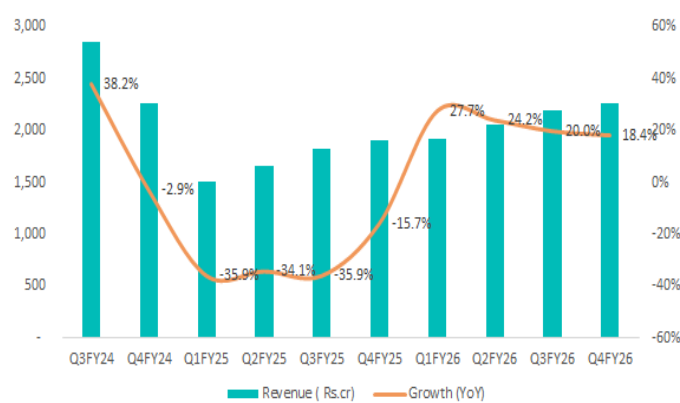
Rs.cr	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	FY26	FY25	YoY (%)
Sales	2,264	1,912	18.4	2,194	3.2	8,437	6,900	22.3
EBITDA	132	-88	n.m.	156	-15.4	502	-1,507	n.m.
Margin (%)	5.8	-4.6	n.m.	7.1	-130bps	5.9	-21.8	n.m.
EBIT	-	-238	n.m.	23	n.m.	-66	-2,179	97.0
PBT	194	-542	n.m.	230	-15.7	582	-645	n.m.
Rep. PAT	183	-545	n.m.	225	-18.7	552	-663	n.m.
Adj PAT	163	-18	n.m.	225	-27.6	739	-1,482	n.m.
Adj. EPS (Rs)	2.5	-0.3	n.m.	3.5	-27.6	11.5	-23.2	n.m.



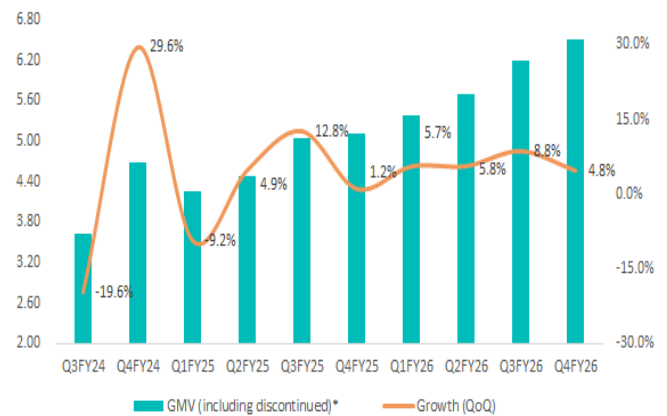
Key concall highlights

- Merchant subscriptions, including devices, reached 1.51cr as of March 2026, adding 27lakh net new subscriptions in the past 12 months, reflecting strong merchant retention and market expansion.
- Monthly transacting users reached 7.7cr for the three months ended March 2026, up 50lakh YoY, driven by AI-led personalisation, improved retention strategies and deeper engagements across the consumer franchises.
- Paytm aims to achieve 15-20% EBITDA margin within the next 2.5-3 years starting FY26, focusing on operating leverage and disciplined cost management, along with scaling high-margin financial services distribution.
- The management expects revenue growth to accelerate in FY27 beyond the 22% delivered in FY26, driven by recoveries in marketing services and strong momentum in payments and financial services.
- Paytm Cloud Technologies Limited and its subsidiary incorporated PT Paytm Indonesia Teknologi on April 10, 2026, investing IDR 15 billion (~Rs. 8 crore) in the new Indonesian entity.
- Paytm's cash balance stood at Rs. 13,315cr as of March 31, 2026, up from Rs. 12,809cr in March 2025, with USD-translation gains of Rs. 255cr, reflected in FY26 reserves.

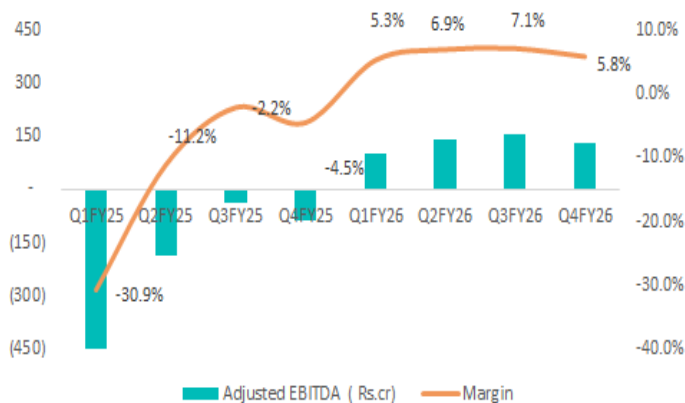
Revenue



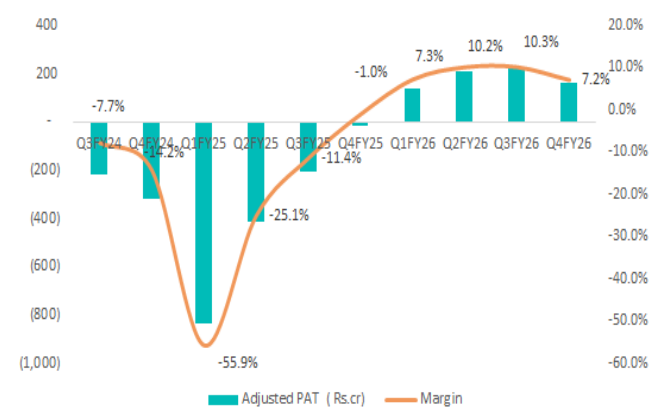
GMV



EBITDA



PAT



Change in Estimates

Year / Rs cr	Old estimates		New estimates		Change (%)	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Revenue	10,559	-	10,325	12,815	-2.2	-
EBITDA	1,257	-	1,176	2,024	-6.4	-
Margins (%)	11.9	-	11.4	15.8	-50bps	-
Adj. PAT	1,370	-	1,199	2,057	-12.5	-
EPS	21.5	-	18.7	32.1	-12.8	-



Consolidated Financials

Profit & Loss

Y.E March (Rs. cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Sales	9,978	6,900	8,437	10,325	12,815
% change	24.9	-30.8	22.3	22.4	24.1
EBITDA	-907	-1,507	502	1,176	2,024
% change	-44.4	-66.1	n.m.	134.3	72.1
Depreciation	736	673	568	637	671
EBIT	-1,643	-2,179	-66	539	1,353
Interest	24	16	18	20	22
Other Income	276	1,550	666	741	831
PBT	-1,390	-645	582	1,261	2,162
% change	-20.2	-53.6	n.m.	116.6	71.5
Tax	32	18	30	65	111
Tax Rate (%)	-2.3	-2.8	5.2	5.2	5.2
Reported PAT	-1,422	-663	552	1,196	2,051
PAT att. to common shareholders	-1,417	-659	553	1,199	2,057
Adj.*	233	-823	186	-	-
Adj. PAT	-1,184	-1,482	739	1,199	2,057
% change	-33.3	-25.1	n.m.	62.3	71.5
No. of shares (cr)	63.5	63.8	64.0	64.0	64.0
Adj EPS (Rs.)	-18.6	-23.2	11.5	18.7	32.1
% change	-33.5	-24.7	n.m.	62.3	71.5
DPS (Rs.)	-	-	-	-	-

Cashflow

Y.E March (Rs. cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Net inc. + Depn.	-681	14	1,121	1,837	2,728
Non-cash adj.	2,022	-208	-1,839	-1,178	-2,331
Other adjustments	-	-	-	-	-
Changes in W.C	-690	73	-25	-291	-267
C.F. Operation	651	-121	-743	368	129
Capital exp.	-812	-317	-468	-568	-679
Change in inv.	569	-4,162	1,429	-	-
Other invest.CF	561	2,435	758	-	-
C.F - Investment	318	-2,043	1,719	-568	-679
Issue of equity	1	2	2	-	-
Issue/repay debt	-	-	-	-	-
Dividends paid	-	-	-	-	-
Other finance.CF	-23	-54	-52	14	15
C.F - Finance	-22	-53	-50	14	15
Chg. in cash	947	-2,217	926	-186	-535
Closing Cash	4,277	2,077	3,285	3,099	2,564

Balance Sheet

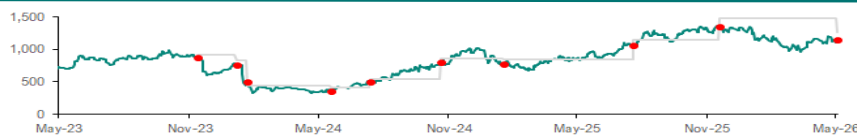
Y.E March (Rs. cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Cash	4,277	2,077	3,285	3,099	2,564
Accts. Receivable	1,651	1,297	1,186	1,461	1,833
Inventories	-	-	-	-	-
Other Cur. Assets	7,790	13,711	14,870	16,041	18,377
Investments	2,294	2,581	2,935	3,051	3,171
Gross Fixed Assets	24,027	26,630	27,098	27,666	28,345
Net Fixed Assets	1,167	857	870	800	808
CWIP	10	4	5	5	6
Intangible Assets	84	44	42	44	46
Def. Tax -Net	12	11	12	14	16
Other Assets	1,408	866	710	685	662
Total Assets	18,693	21,448	23,915	25,199	27,481
Current Liabilities	5,069	6,182	7,596	7,665	7,876
Provisions	108	91	129	135	140
Debt Funds	-	5	-	-	-
Other Liabilities	217	173	162	176	191
Equity Capital	64	64	64	64	64
Res. & Surplus	13,263	14,963	15,962	17,161	19,218
Shareholder Funds	13,327	15,027	16,026	17,225	19,282
Minority Interest	-28	-30	2	-2	-8
Total Liabilities	18,693	21,448	23,915	25,199	27,481
BVPS	210	236	250	269	301

Ratios

Y.E March	FY24A	FY25A	FY26A	FY27E	FY28E
Profitab. & Return					
EBITDA margin (%)	-9.1	-21.8	5.9	11.4	15.8
EBIT margin (%)	-16.5	-31.6	-0.8	5.2	10.6
Net profit mgn.(%)	-14.2	-9.5	6.6	11.6	16.1
ROE (%)	-10.7	-4.4	3.4	6.9	10.6
ROCE (%)	-12.4	-14.5	-0.4	3.1	7.0
W.C & Liquidity					
Receivables (days)	60.4	68.6	51.3	51.6	52.2
Inventory (days)	-	-	-	-	-
Payables (days)	63.7	97.8	100.9	101.2	101.6
Current ratio (x)	2.7	2.8	2.5	2.7	2.9
Quick ratio (x)	1.6	0.8	0.8	0.8	0.8
Turnover & Leverage					
Gross asset T.O (x)	0.5	0.3	0.3	0.4	0.5
Total asset T.O (x)	0.5	0.3	0.4	0.4	0.5
Int. covge. ratio (x)	-67.6	-132.9	-3.7	27.4	62.7
Adj. debt/equity (x)	-	-	-	-	-
Valuation					
EV/Sales (x)	2.1	6.9	6.9	6.9	5.6
EV/EBITDA (x)	n.m.	n.m.	115.7	60.1	35.2
P/E (x)	n.m.	n.m.	83.0	61.6	35.9
P/BV (x)	1.9	3.3	3.8	4.3	3.8



Recommendation Summary - last 3 years



Dates	Rating	Target
30-Jul-24	HOLD	540
6-Nov-24	ACCUMULATE	854
3-Feb-25	HOLD	845
6-Aug-25	HOLD	1,154
5-Dec-25	HOLD	1,481
20-May-26	ACCUMULATE	1,302

Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%


Not rated/Neutral


Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition:

 Upgrade

 No Change

 Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

The recommendations are based on 12 month horizon, unless otherwise specified. The investment ratings are on absolute positive/negative return basis. It is possible that due to volatile price fluctuation in the near to medium term, there could be a temporary mismatch to rating. For reasons of valuations/ return/lack of clarity/event we may revisit rating at appropriate time. Please note that the stock always carries the risk of being upgraded to BUY or downgraded to a HOLD, REDUCE or SELL.

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