Operator: Good morning everyone and welcome to the Pine Labs Limited Q4 and Full Year FY 2026 earnings call. Thank you for joining us today. Please note that all participants will be in listen-only mode and this call is being recorded for reference. Representing the Pine Labs management team today are Mr. Amreesh Rau, Chief Executive Officer, and Mr. Sameer Kamath, Group Chief Financial Officer.

Here is how the call will flow: Mr. Rau will begin with his opening remarks followed by a couple of product demonstrations and an overview of the business highlights. Mr. Kamath will then walk you through the company's financial performance, after which we will open the floor for questions during the Q&A session. Before we get started, a quick reminder: some of the statements shared during this discussion may be forward-looking in nature and actual results could differ materially due to a range of external factors. This Zoom session is intended exclusively for investors and analysts. If you are joining us from a media organization, we kindly request that you disconnect at this stage and reach out to our investor relations team directly with any queries. With that, I now hand the call over to Mr. Rau. Over to you, sir.

Management: Thank you very much, good morning. Thanks for taking the call early in the day. We released our numbers yesterday, and we want to give some more color on how we are looking at the business and what we are doing in the business. We are going to keep this largely as a Q&A session, but I felt it was appropriate to give a little bit more in terms of what is happening in the market and in the field to give you more color before getting into specifics about the business and taking questions. The numbers are available in our yesterday's release, so we will not be repeating those numbers. As we have always said, our vision has been clear: we want to build the greatest Fintech coming out of India, being able to serve not just Southeast Asia and Asia, but also the larger global markets out there.

As we have mentioned, we operate in two large business lines: one is the digital infrastructure and the transactions business, and the second is what we do on the issuing and acquiring side. Within digital infrastructure and transactions, there are three parts to our business: one is our offline and online business—that is the infrastructure business—which allows us to operate with large merchants. On top of that, we have our flow-related and transaction-related services, which we largely monetize by the transaction or by the value of the flow that operates on that infrastructure. Third is what we do as Fintech infrastructure, both for banks and financial institutions as well as merchants. These are the three lines within the digital infrastructure and transactions business. The last business, which is now almost 30% of our revenues, is what we do on the issuing and acquiring side. We always believed that it is not just relevant for us to operate on being able to receive money, but also where money is held and where money is being sent out from; that is going to be extremely important and that is covered in what we do on the issuing and acquiring side of the business.

This is the way in which we run our business and our financials. At the lowermost point is what we do in terms of the infrastructure and the distribution of infrastructure. As we have said, we have now reached almost 2 million touchpoints. We are making tremendous progress on the online side of the business. On the online side, we are now present with the top three e-commerce companies and the top three quick-commerce companies with our payment gateway platform. On top of that,

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we deliver services both for retailers and for banks and financial institutions. We announced a few days ago what we are doing, for example, with the three petroleum companies—and it is a quite complex solution that we have developed for the petroleum sector. We actually cover loyalty-related services for the petroleum sector. We also deliver solutions for banks and financial institutions. Again, we do a lot of work with HDFC Bank and ICICI Bank, but we have been able to take this global, where we are providing services for Emirates NBD and, in the Philippines, we work very closely with G-Cash. So we deliver very sector-specific solutions on top of the infrastructure play that we do.

The third layer is where we deliver more services so that we bring customers into the banking institutions or to the retailers—that is where our affordability solutions, loyalty-related products, rewards, cashbacks, and all of these services fall. Now what we have started to do is monetize on the basis of the data that we have collected and the marketing services that we can deliver on top of the infrastructure and services provided. We are continuing to invest heavily into this space. We recently launched a product called Signal IQ, which allows us to look at consumer data. We work very closely with the account aggregator framework. On the basis of the data that we get through the account aggregator framework on behalf of our partners, we are now delivering analytics-based solutions for better underwriting in the market. We actually have about 8 clients with us either in the pilot stage or fully contracted for this Signal IQ product. I will talk later about the recent acquisition of Shopflo, which is in the online payment space.

If you see, there is a very clear strategy: lay out the infrastructure first, deliver solutions which are domain-specific, get flow-based revenues going, and as we collect more data and information about our merchants and their customers, we can deliver value to them. That has actually started to come through in our financials. That is one of the reasons why we have been able to move from an infrastructure-specific revenue model to a transaction or flow-based revenue model and an information-based revenue model.

This is what is being reflected in the numbers. We came in with about 19% growth on the revenue side. On an adjusted EBITDA side, from somewhere around 350 crores of adjusted EBITDA, we have now delivered about 559 crores or 560 crores. We have made significant progress in terms of EBITDA margin, showing almost a 500 basis point improvement. Going into FY27, we haven't really given a very specific guidance in terms of EBITDA, but what we have done is given out hard guidance for revenues. We think we will be able to grow at about 21% to 23.5% on a year-on-year basis as far as revenue is concerned. We have already shown how we see the flow-through between revenue, contribution margin, and adjusted EBITDA in our business, so we definitely feel confident that we will be able to significantly improve our adjusted EBITDA going into FY27. Obviously, that converts into very strong PBT and PAT, and we delivered about 113 crores as far as PAT is concerned.

Another question which has been coming up all through the year has been around the operating cash flow. We have been at pains to explain to the street that this is a company which can deliver free cash flows and very strong operating cash flows. I am glad to say that we delivered almost 676 crores or 656 crores of operating cash flow in Q4 alone. Looking at 676 crores of cash flow in Q4 only, I am going to be the first one to tell you that this 676 crores should not be looked at on a standalone basis; you have to look at what happened on a full-year basis where we came in at about

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395 crores of operating cash flow. We feel confident that we will improve on the cash flow in FY27 in a very significant manner. This is a company which is giving enough weightage to everything, including operating cash flow, and I am quite pleased with where we have come as far as our financials are concerned.

These are numbers specific to Q4, but I want to throw some light on the underlying metrics which are leading us to deliver those financials. As I mentioned, on a full-year basis, we came in almost close to $200 billion of payment volume—that is just significant growth as far as GTV is concerned. What that is telling me is that we are winning across markets. We are winning market share in the offline business, we are winning market share in the online business, and we are winning a significant portion of the flow-based, transaction-based revenues in the market. As I told you, we are at about 2 million touchpoints today in the field.

I also want to give a little bit more color. I used to always tell my mother that when you go to a restaurant, you are not necessarily going to see Pine Labs because this is not the core sector we want to go after. But honestly, if you actually go out into Mumbai, Delhi, and some of the other metros, you are starting to see Pine Labs everywhere. You are seeing Pine Labs at restaurants, at petrol pumps, and at merchants who have two or three stores. There is a very significant change happening in the field. One, banks and financial institutions are clearly realizing that payments is a very unique proposition and they are calling Pine Labs much more. But we are also seeing our direct-to-merchant strategy pay off. We are seeing an environment where competition is starting to back off because their requirements and business models are quite different from ours. So we are seeing significant progress as far as the field is concerned.

In the last 6 months, in segments of the business, we have actually been able to deliver almost 7% improvement in unit economics. In the online space, we are making very good progress; we have grown that business almost by 60% on a year-on-year basis. All three quick-commerce companies and all three e-commerce companies are today using Pine Labs as a platform. I see this becoming a very significant growth area for us as we go forward. To throw a little more light on the flow-based businesses, we continue to gain market share as far as affordability is concerned. We have increased the number of brands that we operate with and we are signing up more and more NBFCs so that we can deliver credit at the point of purchase. We believe NBFCs are going to be a very significant play as we go forward.

What merchants are telling us is that they don't want their platform partner to be wedded to one NBFC. While we have not launched our own NBFC, we continue to deliver more choices to the merchants and their consumers. If a consumer comes in with one NBFC as their favorite partner or someone who has already underwritten them, they will be able to access credit at the point of purchase. The more NBFCs and lines of credit we can avail and deliver at the point of purchase across more brands where subvention is possible, the stronger the network play becomes, and that is something we continue to improve.

As far as the issuing business is concerned, it has shown tremendous growth not just in India but also in global markets. Many new specific use cases are coming up from wallets or rewards as an infrastructure play. We are seeing some very important steps being taken by the Reserve Bank of India where RBI recognizes that PPIs are a very important business model for both the retailer and

the consumer. They are streamlining the processes and governance related to the prepaid business, and we absolutely appreciate that. We are also seeing a very big opportunity come up when it comes to employee benefits. We will be launching an employee benefits program over the next few weeks and quarters. We think this is going to be an opportunity to address a large TAM of both consumers and corporates. On the issuing side of the business, I feel very comfortable that growth is being taken care of.

Internationally, even as we speak—and I am currently in Europe—we are seeing more conversations happening regarding our products. Two things are happening significantly: one, the big players in payments coming out of the US, such as Stripe or Adyen, are seeing a phenomenal opportunity in their home markets and are spending a lot more time there. However, that doesn't mean emerging markets don't require Fintech solutions. What we have delivered here in India and the tech stack we have created for the Indian market is extremely relevant in markets like the Philippines, Vietnam, or the UAE. Just to give you one simple number, in the Philippines alone, which is our newest market, we have 5 clients today. The largest Fintech app in the Philippines, G-Cash, is using us as their payments infrastructure layer. You are seeing very strong progress and we are getting dollar-based revenues from our international business. You will see in our releases that we made very good progress in FY26 in international markets, and we see that continuing in FY27.

I wanted to share more regarding AI. In our business, almost 89% of all new code written within Pine Labs over the last two quarters has been completely AI-generated. Let that sink in. 89% of all new code has been written using AI. It does two things for us: one, it provides tremendous efficiency as we build new products, and two, our legacy platforms are being updated and improved as we speak. We have been working very closely with companies like Anthropic; as Mythos is being released, we are one of the first to reach out to Anthropic to see how we can partner with them to get the best use of products like Mythos. We have also signed a partnership with OpenAI where we will be one of the first few design partners as we build out AI products in local markets. The second piece where AI plays a role is in all our consumer-facing touchpoints, where AI is in the background and integrated into our business model. Third, we are using AI to deliver significant solutions in the market.

I wanted to show you some products and demos today, but it is a bit too early in the morning to go through product demonstrations as everyone is ready to leave for the office. So I decided to keep that away. However, in Mumbai over the next three days, there is a program by the Mumbai Tech Association where we are going to talk about what we are doing with AI and agentic commerce. We have developed entire workflows using UPI and agentic payments to deliver transactions in the field. We are completely ready using AI and an agent-led framework to deliver payment transactions. We are doing three things: improving efficiency, improving code, and building new products using AI.

I am now going to stop and take questions related to our financials and provide more light on how we are looking at the business and where we see the opportunity in FY27.

Operator: Thank you, sir. Ladies and gentlemen, we will open the floor for a question and answer session. If you would like to ask a question, please click the raise hand button on the bottom toolbar of your Zoom window. The operator will acknowledge you and announce your turn in the queue.

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Ladies and gentlemen, we will pause for a brief moment while the question queue assembles. We will take the first question from Jayant Kharote. Please go ahead.

Management: Hi Jayant, go ahead.

Jayant Kharote – Axis Capital: Hi. Good morning Amreesh and Sameer. Thanks for the opportunity. My first question is on the growth itself. Given that we are already two months into the quarter, how is Q1 looking, and does that make you confident in the 21% to 23% guidance? Is this something we will see through every quarter, or could that West Asia pain play into Q1 as well?

Management: Jayant, that is a good question. We feel very confident about the hard guidance of 21% to 23.5%. We are already seeing how the numbers are rolling in for Q1. The way I am going to say this is: when we went to IPO, the market asked whether the 5-6 crores of positive PBT we showed in Q1 and Q2 of FY26 was a fluke or a one-time number. We focused on explaining that this business can run PBT and PAT positive for a long period, and we wanted to get that right. As soon as we did, there were questions about whether we are truly a cash-generating machine when Q3 cash flows turned negative. We focused on that explanation. I would have loved growth to be north of 20% in Q4 as well; however, on a full-year basis, we came in at about 19%. Even in H2, we came in at almost 20-21% growth. I feel very confident in this revenue guidance because we have incorporated the softness seen in Middle East markets and some of the softness in the airline sector.

Jayant Kharote – Axis Capital: If you could also elaborate on what was softer in Q4 and how it changes in Q1?

Management: In the payments business, many external events drive us: consumption-related activity, geopolitics affecting cross-border trade, and bank investments in payment solutions. Something equally important, which we saw during the COVID period, was the chip shortage. Currently, due to AI-related demand rather than West Asia issues, there was a chip shortage in Q4. We had a backlog of almost 2 lakh POS machines to deploy, which got delayed between Q4 and Q1. That is all behind us now; the supply chain is in place, and we have enough to deliver. There was an impact on decision-making from Middle Eastern banks—about 15-20 crores—which is nothing major. The way I want you to look at the business is that growth in payments can be controlled; you have to balance the kind of growth you bring in with the EBITDA margins you sustain. We improved the EBITDA margin by almost 500 basis points in FY26.

Jayant Kharote – Axis Capital: Amreesh, sorry to harp on this, but within the digital infrastructure business, is it affordability, value-added services, or the in-store subscription piece that slowed in Q4 and will change?

Management: It was largely related to the infrastructure piece. The 20-25 crores we would have liked to see coming in higher in Q4 was largely related to infrastructure. There was a small component related to affordability and flow-based transaction services, but it was mainly around infrastructure and deployment.

Jayant Kharote – Axis Capital: And revenue should start coming through from Q1 itself?

Management: It has already started. Regarding the guidance of 21% to 23.5% in FY27, we think Q1, which is typically our weakest quarter, will still see the lower end of that guidance. As we go forward through the remaining three quarters, we will see improved growth rates. That is how the numbers will stack up.

Jayant Kharote – Axis Capital: That is very reassuring. So you do plan to hit 21% within the next quarter itself?

Management: Absolutely. Whether it is 20% or 21%, we will see how the quarter ends, but I definitely see us starting at the lower end of the guidance in Q1.

Jayant Kharote – Axis Capital: If I could squeeze one last question for Sameer. The depreciation and amortization line has a 6 crore item in Q4. What would you attribute that to?

Management: At year-end, we do a full true-up of any obsolescence based on what we collect from merchants, etc. That is a one-time annual activity involving about 4-5 crores. The rest is linked to business growth seen with oil marketing companies. Otherwise, this is a one-time true-up; the run rate basis will be lower.

Jayant Kharote – Axis Capital: So this is not recurring?

Management: No, the 5 crores is a year-end cleanup of obsolete items. While we do provisions throughout the year, we true it up fully at the end.

Jayant Kharote – Axis Capital: Okay. Thank you and congratulations on the profitability. Hopefully, we see better growth from Q1 onwards.

Management: Thank you, Jayant. As far as we are concerned, we want to show this as an all-round business with enough levers to drive growth, PAT, and cash flow performance.

Operator: Thank you. We now move to our next question from Pranoj Shah of 3P Investments. Please go ahead.

Pranoj Shah – 3P Investments: Hi, I hope I am audible. Thank you for the question. It is great to see the traction on operating cash flow. On the capex part, this 238 crores—could you break it down between DCPs and other components, and how do you expect that to trend? My second question is on the strong revenue guidance of 21-23%. I assume international and distribution will be a big part of this. Regarding your contribution margin of 75%, do you expect this to taper off?

Management: Most of the DCPs were procured in the earlier avatar, and we had certain outstanding payments in FY25 that came through this year. On an operating cash flow basis, you see 280 crores, but adjusted for certain opening payouts, the run rate of capex is about 180-190 crores. Of the 283 crores, about 160-170 crores pertains to DCPs, which is on the run rate we have been doing. The rest is related to older payments.

Pranoj Shah – 3P Investments: The DCP portion is also slightly higher because of the OMCs?

Management: In Q4, while expecting deliveries, suppliers asked for advances due to the chip shortage. Capital Work-in-Progress (CWIP) gets covered in that. As the chip shortage continues

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and we look at alternate supplies, we got new supply chain partners. This was a quarter-end phenomenon where everyone worked on 100% advance due to the situation. While delivery had not happened and we couldn't book revenues, we had to incur advances. It is sitting in CWIP.

Management: Regarding the second part, we are operating at world-class levels for contribution margin. For comparison, Google is at about 56-58%. We are in the 75% range because we operate on a net revenue basis. We don't have grossing up where we take 2% as revenue; we take the net. Our contribution margin continues to be high because of this principle. However, as we get into newer businesses like employee benefits in FY26, the financial recording might come in with a slightly different range, and there could be a 2-3% variance. For the business that stands today, I don't see the contribution margin changing.

Pranoj Shah – 3P Investments: Thanks, that is clear. So the 21-23.5% is the headline revenue, and on the contribution margin, an 8% delta is what you see?

Management: At a contribution margin level, we came in at about 73-74% in Q4 and about 74-75% on a full-year basis.

Pranoj Shah – 3P Investments: And a 2-3% delta is where it can go from here?

Management: That is correct. In our issuance business, our value proposition is not just the backend tech infrastructure; we partner with brands in acquiring and retaining customers and distributing cards through our Woohoo portal or third-party marketplaces. A pass-through distribution cost becomes a critical lever. Distribution is incrementally additive to EBITDA even if it is smaller on a contribution level because it fuels the processing business. Brands see value in the holistic offering. We will remain in that guidance range, but this is where our new edge in delivering value to clients comes up.

Operator: Thank you. Our next question is from Prakhar Sharma of Jefferies. Please go ahead.

Prakhar Sharma – Jefferies: Good morning everyone, thanks for the clarity. Can you discuss trends in the affordability business for the quarter and the early part of this quarter? What do you expect for the full year, given that we are seeing credit card players pull back on offers and change strategy on subvention?

Management: Regarding offers and programs run by banks and brands, there is constant change. Significant changes have occurred for years; as soon as a category becomes very relevant to the consumer, some offers are taken away. One of the largest banks in India recently pulled back on offers with a leading mobile brand because they believed consumers were ready to pay or move to lower offer-based programs. However, banks are also coming up with newer programs to promote affordability. For example, we are seeing traction in the EV segment. It is also popping up in regular non-consumer durable brands.

Second, if consumer durable takeoff is lower, affordability solutions also see slightly lower traction. There, we are working to compete against new lines of credit. There is a world-class NBFC that has delivered new lines of credit at the point of purchase for 10 years. Our objective is to take our banks' credit card-based lines of credit and compete more proactively by improving the number of stores

and credit lines delivered. We don't want to say there is softness in affordability just because consumption or mobile procurement is down. Our job is to find newer sectors and touchpoints to maintain year-on-year growth.

In flow-based services, we have generated multiple revenue lines, such as DCC and partnerships with consumer fintechs. We have partnerships with at least 3 or 4 consumer fintechs so they can take offers to their consumers at the point of purchase—such as 50% off a coffee converted into an offer-based transaction.

Prakhar Sharma – Jefferies: Is it possible to clarify the split between affordability and value-added services in terms of revenues or GTV?

Management: We haven't been keen to show that detail yet, but we are providing more information. For instance, our online business grew by 60% year-on-year. That is a proactive step, and we should be able to track and improve on that number. We will show more detailed breakups as we go forward.

Prakhar Sharma – Jefferies: Over the last year, there has been an adjustment on the contribution margin. How should we factor the contribution level for FY27 and FY28?

Management: Assume a variance of 2-3%. In Q3, the contribution margin was higher than in Q4 or Q2. It will move around in that range. I am not giving specific full-year guidance yet because I don't have the final handle on the business mix, but we will provide color between calls. We are seeing no margin pressure; in fact, we are seeing price increases in some segments. Any change is an outcome of business mix, not competitive pressure. When you go to merchants with 5 or 6 stores, we saw almost 30% growth in the infrastructure business, and our unit economics there improved by about 7%.

Prakhar Sharma – Jefferies: You mentioned a competition pullback in the POS business. Can you give more details? Also, regarding the growth guidance, does it include Shopflo or any other inorganic boosters?

Management: It does not include inorganic boosters. Shopflo is extremely small on a revenue basis compared to the larger business. It is a product-led acquisition that helps us deliver 50-60% growth on the online side, but it is not material to the total growth numbers. Regarding the pullback, take the petroleum companies where we are deploying 50,000 terminals. These are in far-flung locations on highways and in small villages. To enter that segment, a competitor would have to deploy significant personnel. We are seeing newcomers pull out because it is not economically viable for them. Second, some competitors' large revenue models are built around financial services and lending rather than payment-based revenues. An OMC does not need a loan today, so that is not a segment they want to address. For us, this is bread and butter. We don't do any lending, so we focus on the merchant base that pays for technology.

Operator: Thank you. Our next question is from Gaurav Rateria of Morgan Stanley. Please go ahead.

Gaurav Rateria – Morgan Stanley: Congratulations on the performance. I have three questions. First, can you bridge the gap between 17% and the 21-23.5% guidance in terms of which revenue pool will

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see acceleration? Second, what was the revenue growth in affordability in FY26, and how much was same-store growth versus expansion? Last, regarding the employee expense segment being dilutive to contribution margin but not operating profit—if that is correct, your conversion of incremental contribution profit to adjusted EBITDA should improve beyond the 55% mentioned for the core business. Is that correct?

Management: On the contribution margin and the 55% flow-through to EBITDA, we don't want to give hard guidance we might miss. The 55% is a number we are super confident in. For the employee benefits business, we will know the exact accounting rules once we launch in the next 45 to 60 days. It could be 100% net revenue recognition, in which case the contribution margin would be 75% or higher.

Regarding revenue growth, we felt the lowest growth would come from infrastructure. We see a 2-3% improvement on growth for infrastructure business—POS deployments and payment gateway transactions—compared to previous assumptions. In flow-based revenues, we expect to maintain growth rates through affordability and newer services. Since we have consumer data, we are using AI to create revenue streams by providing merchants with insights and charging for those services. Third is international markets. We just launched POS-based services in Singapore. We are going proactively into markets to win deals against global majors, and we have won at least two deals in direct competition. This gives us comfort regarding our growth guidance.

Gaurav Rateria - Morgan Stanley: What was affordability growth in FY26 on a same-store basis?

Management: Almost a third of the growth in this business comes from activating merchants. While stores are technically activated, a large part of our effort is making customers and merchants aware of EMI as an option. About 25-30% of growth comes from activating merchants and stores. In our deck, we show the ratio of POS machines activated for flow and transactions improved from 21% a year ago to 30%. This will continue to add to our growth.

One thing you can remain very confident in is that these are long-term infrastructure partnerships. For a bank or retailer to replace Pine Labs is a 9-month effort. It is very easy for us to see how revenues will come through for the next 9 months.

Operator: Thank you. Our next question is from Ramesh Shah, an Investor. Please go ahead.

Ramesh Shah - Investor: Congrats on the numbers. Do you have any plans to enter the crypto game?

Management: The answer regarding crypto is a clear no. We have no interest in crypto-related services. However, stablecoins are exciting in international markets. In India, UPI has solved faster money movement. Globally, that is a pain point, and stablecoins solve it. We are seeing stablecoins used for faster movement in person-to-person, person-to-merchant, and bulk remittances. Second is programmable money, where money can be used only for a specific service. We are fully ready with our infrastructure where a prepaid card with a Visa or Mastercard logo can be delivered through a stablecoin-backed account in global markets. If a bank in the UAE wants to deliver a stablecoin-backed prepaid card, we have the back-end platform. We will start sales activities for this in the next month. This is entirely for global markets and nothing to do with India.

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Ramesh Shah – Investor: Are you planning any fundraising soon?

Management: No. We have 2,700 crores of cash and are organically generating free cash flow. We are healthily capitalized.

Ramesh Shah – Investor: Any "explosive" growth expected from value-added services or monetizing digital infrastructure?

Management: We continue to add newer flow-based services. It is every CEO's dream to find a "Blinkit" within their business, but that is not something I am ready to talk about on an investor call.

Ramesh Shah – Investor: At what price will you issue ESOP shares to employees?

Management: We issue ESOPs in the range of the current Fair Market Value (FMV). There might be small instances at a deep discount, but that is very rare. Throughout FY26, all ESOPs were issued at or near FMV. FMV is based on the 3-month market price.

Operator: Thank you. Our next question is from Vidit Jain of Citi. Please go ahead.

Vidit Jain – Citi: You mentioned 130,000 terminals by end of FY27 and 50,000 terminals deployed currently in the OMC business. Are we looking at 80,000 net new additions from the three OMCs?

Management: It is 50,000 pumps and about 130,000 POS machines. We have started phase-wise takeover. Currently, we have reached about 50% of the projected steady-state volumes for the OMC business. Deployment is a process; we may have deployed 80,000 machines, but transactions take a few months to take off at every location.

Vidit Jain – Citi: You mentioned you have 50% market share in fuel retail outlets. When you reach that scale, what material new value-added services can you unlock?

Management: The petroleum segment is one of our oldest. We do fuel pump automation, forecourt controllers, and integration. Second is payment infrastructure deployment. Third is transaction or flow-based revenues. Fourth is loyalty services; for Indian Oil, we are managing the entire Extra Power loyalty card program for the next five years. Fifth is new tenders for IoT-related services. These are multiple revenue lines. The Extra Power loyalty program is a 60 crore or 65 crore revenue business over five years.

Vidit Jain – Citi: How much does this drive the 19% to 22% growth acceleration?

Management: I would say almost 30-40 basis points would be from this specific deal. The mid-market segment and the OMC contract give us confidence in the 2-3% incremental growth.

Vidit Jain – Citi: On the gift cards business, you said distribution is lower contribution margin but absolute EBITDA accretive. Is it right that India distribution is contribution margin dilutive, international is more so, and the rest is higher margin?

Management: Distribution is the only number at a gross revenue level due to accounting policies; everything else is 100% net revenue. Distribution and processing are an integrated offering. A brand comes to us for a solution to acquire and retain customers. Processing has a flow-through of

95-98% because of tech and people costs. Distribution fueling processing makes us an attractive program manager. We have a very strong market share in India across both. In international markets, which grew at 44%, we started with processing for brands like Woolworths but are now building distribution prowess. Look at it as an integrated model.

Vidit Jain - Citi: In the presentation, you mentioned 60% year-on-year growth in volumes for non-electronics affordability. Is that 40% growth in value and 60% in volumes?

Management: The full-year number is 60%. Affordability has only 10-12% penetration of total GTV in the market, so there is significant headroom. When a consumer walks into a store, they often already have a credit line. A massive segment, like what Bajaj Finance addresses, involves delivering new credit at the point of purchase. We are not covering that currently because of NBFC coverage. Second is post-purchase installments. Third is a classic personal loan. We haven't even played in those areas yet. Affordability also includes insurance, trade-ins, and early buy-backs. Non-electronics is currently small—less than 5%—but we want to invest there, particularly in the online segment.

Operator: Thank you. Our next question is from Aryan Tripathi of MK Global. Please go ahead.

Aryan Tripathi - MK Global: historically we struggled to convert accrual profits into cash profits due to net working capital requirements in affordability. This quarter marked a trend reversal. My understanding is bill discounting improved receivables, driving 102 crores in early settlement related inflows, resulting in a 71% EBITDA to OCF conversion. The tradeoff is lower take rates—going from 35 bps to 30 bps. Is this the new normal?

Management: The street told us clearly that they didn't like our working capital getting bloated, and we have solved for that. This change does not have a material impact on our financials.

Management: Our working capital was typically in the 14-15% range beyond the early settlement. Last quarter's 22% was cyclical due to festivities and normalized on a full-year basis. We have had a serious drive on collection efficiencies. Regarding early settlement, we want to move some of this off-balance sheet. On a full-year basis, we have grown that business. The flow business take rate of 30 bps is a factor of multiple line items, not just affordability. If you look at pure affordability, take rates are stable and strong. Items like UPI or DCC, which were impacted by travel restrictions, changed the aggregate number. UPI volumes going up while the take rate is lower changes the mix.

Aryan Tripathi - MK Global: Is bill discounting a program or a one-time activity?

Management: It is a program. We had to onboard brands and collaborate with banks on documentation. We have accelerated it through conversations with brands and banks to get it on this platform.

Aryan Tripathi - MK Global: I see 111 crores in financing cash flow related to bill discounting, but no spike in financing cost. Are affordability revenues recognized on a net basis?

Management: There is no change in accounting. The source of financing can change. We charge tech fees and these are internal working capital requirements.

Operator: We have a question from the chat box from Arvind Arora: GTV growth is around 50% whereas revenue growth is around 19%. Is there headroom to increase monetization?

Management: Yes. Revenue models vary by segment; some are per transaction, others are on value. Our endeavor is to move toward more value-based revenue. Most of our revenues are recurring. The base layer is rentals. By monetizing GTV through multiple cohorts within flow and affordability, we will capture that incremental delta.

Operator: Thank you. That was the last question. I would now like to hand the floor back to Mr. Amreesh Rau for closing comments.

Management: Thank you very much for taking this call so early. I hope we have been able to give more color on our business. Both Sameer and I are available for conversations over the next few quarters. Thank you.

Management: Thank you, everyone.

Operator: Thank you, Mr. Rau and Mr. Kamath. Ladies and gentlemen, on behalf of the Pine Labs leadership team, we thank you for joining us today and for your continued support. If you have follow-up questions, please reach out to our investor relations team. This concludes today's call. Have a pleasant day. Thank you, everyone. Goodbye.

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