



# **The Indian Dream**

## Prologue

Once upon a time, a young woman visited India for vacation. Whilst enjoying her trip, one day she got very frustrated spending hours booking a train ticket. She got back to work, but the frustration stayed with her. It got her thinking deep. She quit her job and moved to her homeland to Build for India.

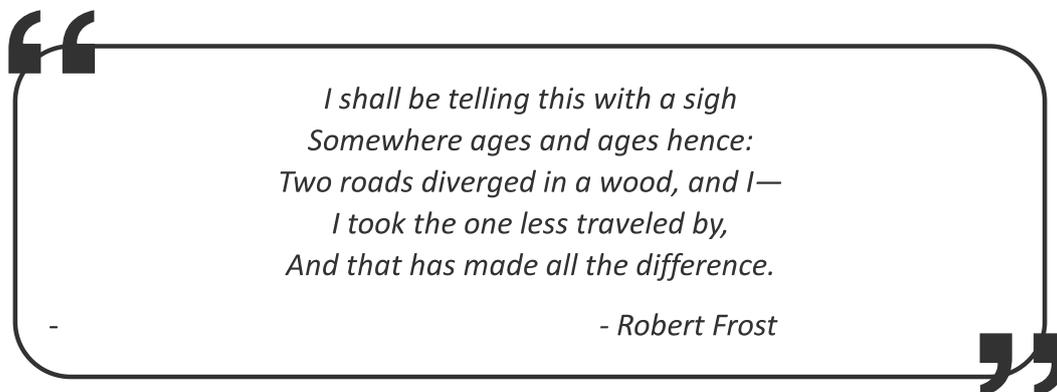
In August 2009, [www.mobikwik.com](http://www.mobikwik.com) went live. And the rest, as they say, is history.

Today we are 325 passionate Indians who serve 120 million users and 3 million retailers in India. Our vision is to build accessible, and affordable digital financial services for a Billion Indians. (Our vision has not changed since 2009; and we are proud of it.) We operate businesses in consumer payments, payment gateway, and financial services.

Founded in 2009 by Bipin Preet Singh and Upasana Taku, we have raised over \$100M in funding from marquee investors such as Sequoia Capital, Bajaj Finance, American Express and Net1. **With 60%+ Indian ownership, MobiKwik is the Truly Indian Payments App.** It is the only independent consumer payments player in India today which is neither owned nor remote controlled by a foreign company.

It's a mean feat just to compete with players whose collective market capitalization exceeds India's GDP (GOOG, BABA {through Paytm} and WMT {through PhonePe}). **I am thrilled that in FY2020, MobiKwik delivered its third successive year of greater than 100% revenue growth amid stiff competition from these players.** Being independent, has clearly not deterred us.

In 1931, James Adams coined the term - American Dream as "that dream of a land in which life should be better and richer and fuller for everyone, with opportunity for each according to ability or achievement". **We believe in the Indian Dream, where half a billion young Indians can achieve anything through sacrifice, risk-taking, and hard work without any godfathers backing them.**



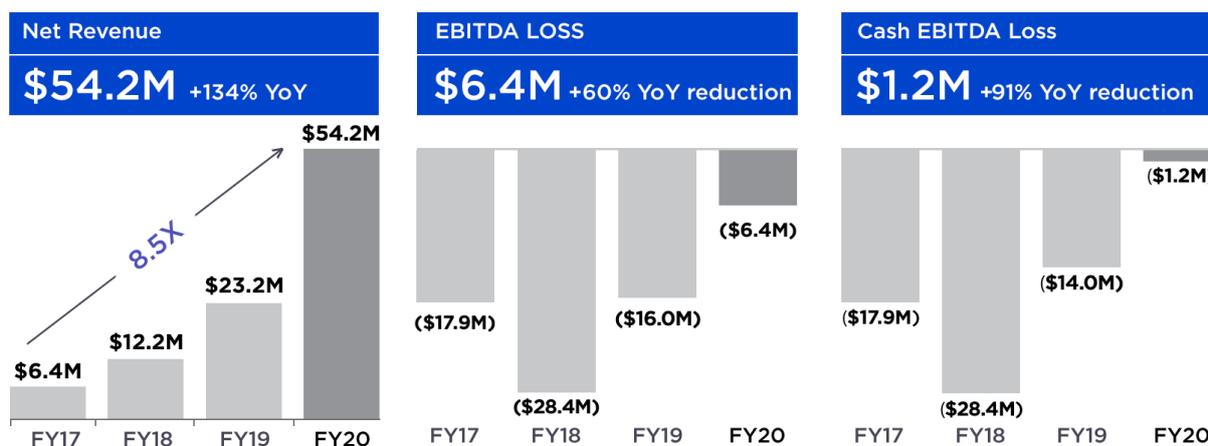
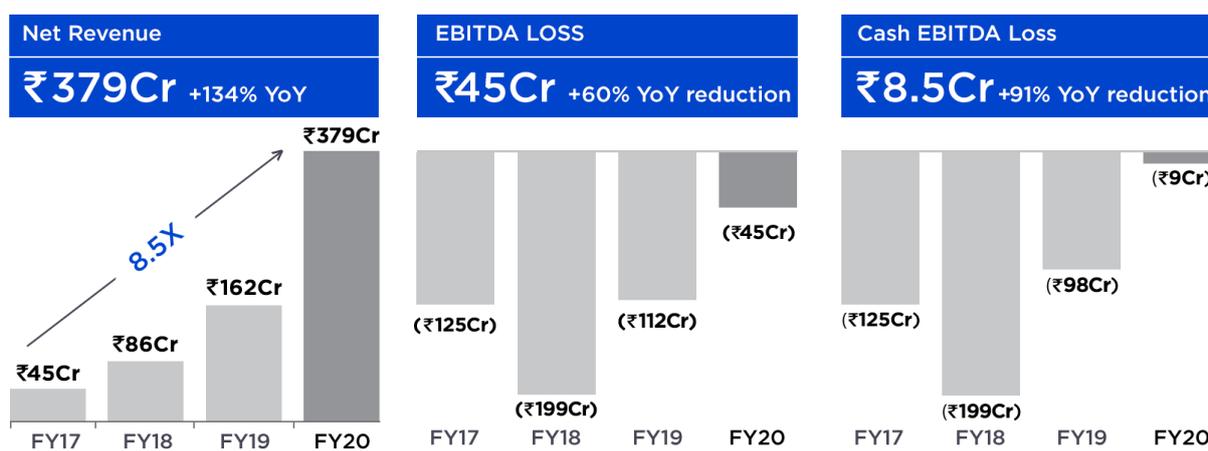
**With 45% of the company owned by us, we at Team MobiKwik are committed to building the business for the next 10 years, and then the next 10 more.** Our aim is to make an everlasting impact on Bharat with our digital payment and fintech products while delivering stellar financial results for our shareholders. We know we have taken the road less travelled having decided to grow profitably (instead of chasing vanity metrics in 10 directions while dumping capital); but like we said before - this is our company and we have the audacity to dream!

## Financial Highlights

We delivered strong financial results at scale: in FY2020, net revenue grew 133% year over year to ₹379 crores, EBITDA loss reduced 63% year over year to ₹45 crores while Cash EBITDA loss reduced 91% year over year to ₹8.5 crores.

March 2020 was our best month ever – with net revenue of ₹38 crores and adjusted EBITDA profit of ₹0.9 crores. Our net revenue for March 2020 is 5x higher than March 2018 and 8.5x higher than March 2017.

In FY2020, Contribution Margin (CM) increased 233% year over year to ₹199 crores. We turned CM positive in Oct 2018 and continued to be positive for each month through the close of the fiscal year in March 2020. Eighteen months of positive margin is a first for any Consumer Tech business; even more so for one that operates in a hyper competitive market such as Payments in India. We truly believe in our profitable growth strategy and have executed on it the right way – with a massive 159% increase in Consumer Payments net revenue and a 216% increase in Fintech net revenue.



Note:

(1): USD/INR = 70

(2): Net Revenue for FY20 is unaudited

## Business Highlights

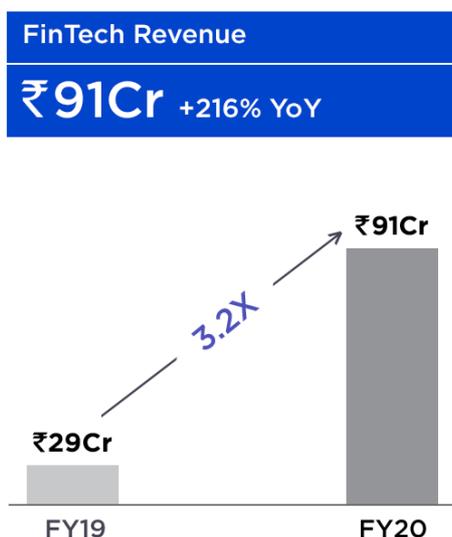
In Consumer Payments aka “Wallet”, our primary business, we delivered net revenue of ₹230 crores in FY2020 vs ₹89 crores in FY2019. **While Consumer Payments revenue grew 159% year over year, User Incentives during the period grew only 30%; indicating the love and loyalty we share with our 120 Million Users.** We did this by a) acquiring & retaining users at an overall low cost, b) adding a myriad of new payment use cases, c) generating higher spends per user, and d) striking key partnerships. MobiKwik partnered with Google on its new “Mobile Recharge Search” launched for India. Via this, we delivered an easy recharge experience within Google Search to millions of first-time digitally paying users. We also developed the “MobiKwik Biller Stack”, a new product for eCommerce partners who wanted to add a ‘Bill Payments’ category on their mobile apps. Our Biller Stack first launched on Flipkart with strong early results.



Consumer Payments in India is still a vast and untapped market because not even half of India pays digitally yet! Don't believe me? Here are some statistics which might help –

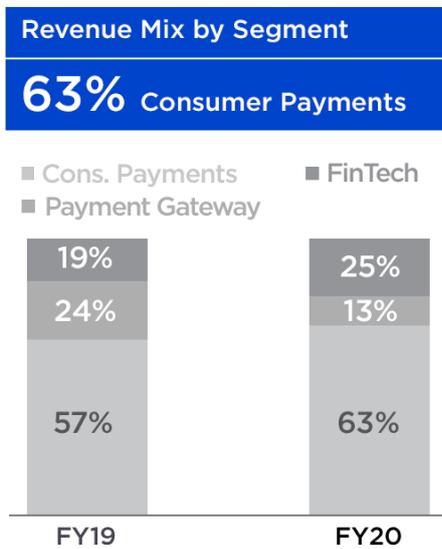
- 829 million debit card holders, who spent ₹476B in March 2020
- 58 million credit cards issued to 25 million unique users, who spent ₹507B in March 2020
- 70 million unique UPI users

Given that UPI while being an amazing platform provides no monetization, we believe the right digital wallet will combine the best of debit and credit capabilities to deliver a payment instrument where you can link a bank account yet draw from a credit line. Market data clearly shows that a credit card user spends 14x as much as a debit card user every single month. A credit card is the most basic of credit instruments – it is needed because incomes are steady month-to-month, but expenses (such as school fees or a health expense) are lumpy. Credit enables users to bring forward tomorrow's consumption to today – benefiting the economy as a whole. And only 2% Indians have a credit card.



Our mission is to provide a digital credit card to the next 100 million Indians who do not have a credit card. **In Fintech, our emerging business, we delivered net revenue of ₹91 crores in FY2020 vs ₹29 crores in FY2019.** The key to our 216% growth is our unique approach of stitching a Credit Line to a User's mobile wallet creating a virtuous cycle where payments drives credit (user's risk score is based on her payment data), which in turn drives spends. We have found Mobile Wallets are ideal virtual accounts to deliver credit, because they allow end-use control and discovery of insights in user's spending patterns (versus a cash loan into a bank account which fails on both).

In our merchant-facing Payment Gateway business (via our subsidiary Zaakpay), we delivered net revenue of ₹190 crores in FY2020 vs ₹101 crores in FY2019 on a standalone basis. During group level consolidation, part of this revenue being intra-company revenue gets adjusted.



MobiKwik operates Businesses in three segments – Consumer Payments, Fintech (includes Credit, Mutual Funds, etc.), and Payment Gateway. In FY2020 in our family, Consumer Payments with its 63% contribution to net revenue is the largest contributor, Fintech with its 25% contribution is the youngest and Payment Gateway with its 13% contribution is the steady hand. All three businesses within MobiKwik, have delivered phenomenal business growth in FY2020 and if that isn't the mark of a strong, hardworking and motivated team; then what is?

## Epilogue

Just like we humans are made of atoms, a company is nothing if not its team. Our talented employee partners are that force of nature who with their sheer talent, curiosity, discipline, hard work, tenacity and commitment to the company – get things done; and it is indeed “getting things done” consistently that translates in to business performance.

I am not just saying this; I have measured it and have data to prove it. **In FY2020, our net revenue per employee grew 195% to ₹1.27 crores from ₹0.43 crores in FY2019.** The number of employees and the total salary bill year over year was almost flat. This has been an interesting metric for us to understand and appreciate our evolving Company Culture and Per Employee Efficiency. **We are very thankful to each and every employee partner of MobiKwik, who not only believed (when we told them) that profitable growth is possible in a hyper-competitive market; but also MADE IT HAPPEN.**

Our conviction in lean-and-mean teams has only gotten stronger over the years. During the ongoing COVID crisis, companies all over are struggling with the repercussions of the pandemic, and in a bid to survive often have to reduce headcount, or furlough team members or force massive pay-cuts. MobiKwik, like every other startup, is facing the same business repercussions after our peak performance in March 2020. But we have decided to differ on one aspect - all through COVID we re-engineered processes,



we hustled, we found cost efficiencies under every rock -- but we did not fire a single employee nor did we enforce any pay-cuts or furloughs. **We believe it is our responsibility to protect our employees and their families while we all deal with a once-in-a-generation calamity whose full magnitude is yet unknown.**

Back in early 2019, when one of our early shareholders told us that given how we were executing, we would soon be profitable and not need to raise capital, I can candidly say I was not as confident. Today, I am pleasantly surprised. We recently checked our performance on capital efficiency, which is the incremental revenue a company is able to generate from new capital infused. **On the back of ₹26 crores raised in early 2019, we have delivered ₹203 crores in incremental net revenue in FY2020, which is a capital efficiency of 8x.**

In summary, FY2020 has been the best fiscal year of our existence so far. We are excited yet humbled by our performance this year. It has equipped us with the right toolkit – a sturdy financial backbone, a disciplined team and a steely resolve to (not just survive but) deliver results amidst the COVID stricken FY2021. We, all 325 of us, are working fast and furious to fulfil a billion Indian Dreams by building the Truly Indian Payments App.



**UPASANA TAKU**  
CO-FOUNDER, MOBIKWIK