



Building Payments
& Financial Services
for Growth Markets

Laurent Le Moal
CEO Payments



PayU connects consumers and merchants across high-growth markets

Latin America
7 countries



Central Eastern Europe,
Middle East & Africa
10 countries



Asia
1 country



+250 payment
options



+300,000 merchants,
1 API

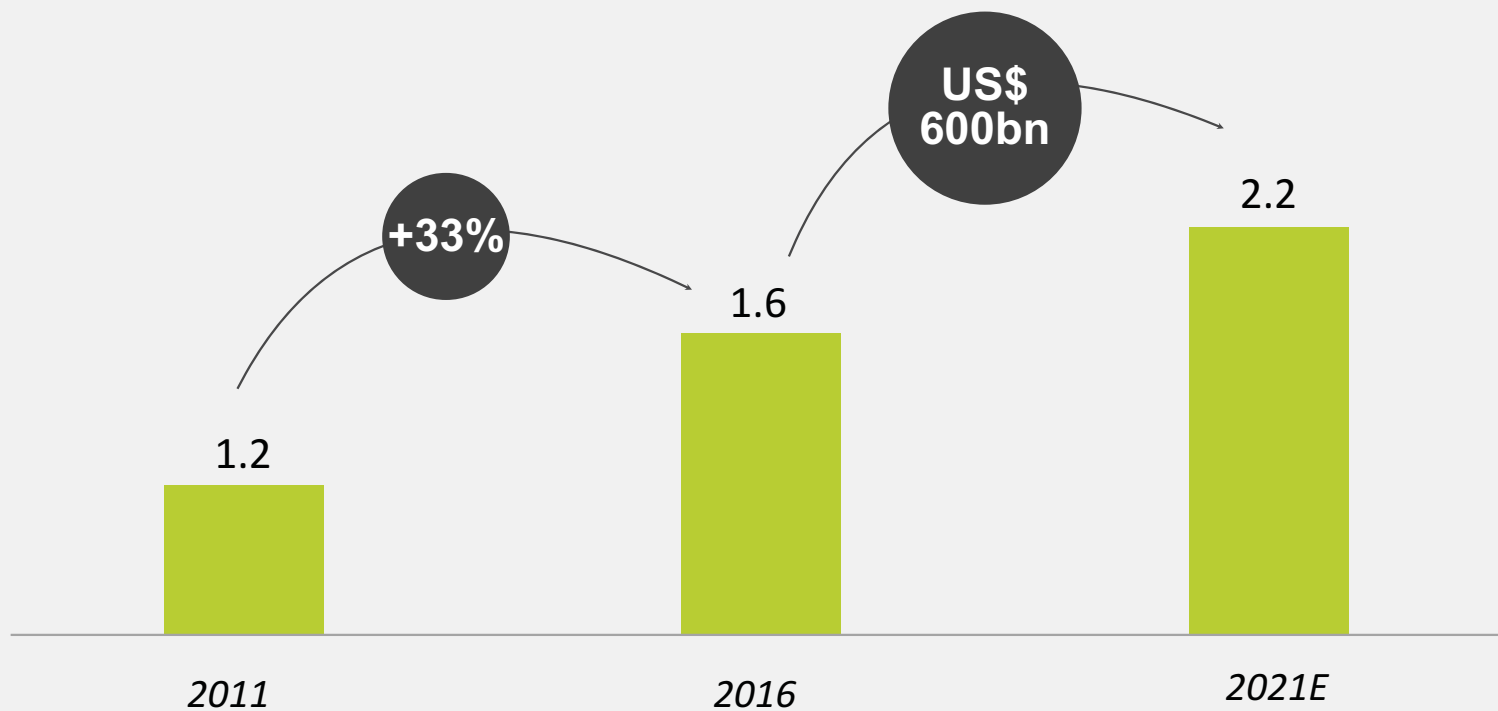


~ US\$25bn total
payment volumes



Large & fast-growing segment

Global payments industry revenues, US\$tn



Source: McKinsey

Key trends in payments



The shift to digital payments



High-growth markets and cross-border trade are the new engines of growth

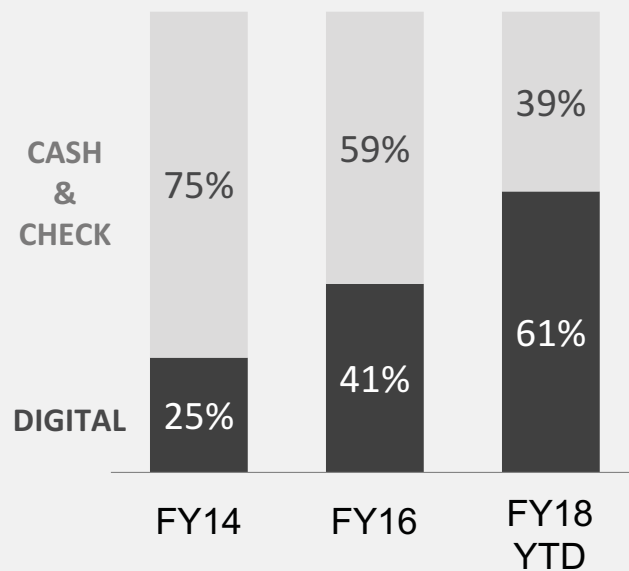


Data: the path from Payments to Financial Services

The shift to digital payments - India

Shift to digital is accelerating

Consumer payments transactions¹, billion

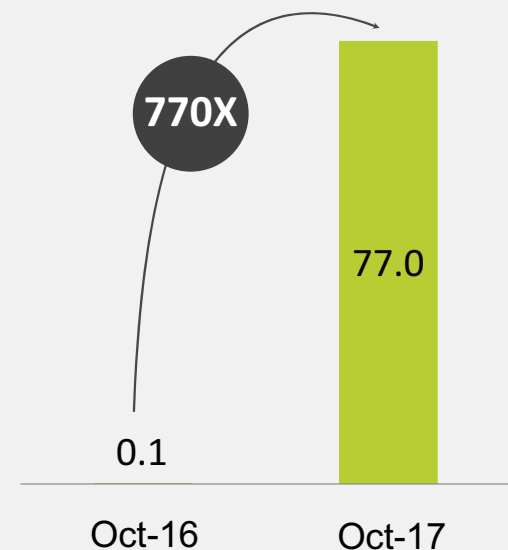


... thanks to public initiatives



with a real consumer impact

Total transactions on UPI2 rails, million



¹ These are total transactions on stock basis not flow. Cash & Check transactions include ATM withdrawals and check payments reported by RBI. Digital transactions include electronic Credit transfers, Direct Debits, Cards, RTGS (consumer initiated), Mobile banking and Prepaid Paid Instruments. FY18 YTD includes April to August data

² UPI is Unified Payments Interface – an instant real-time payment system developed by National Payments Corporation of India facilitating inter-bank transactions

Source: RBI

Key trends in payments



The shift to digital payments



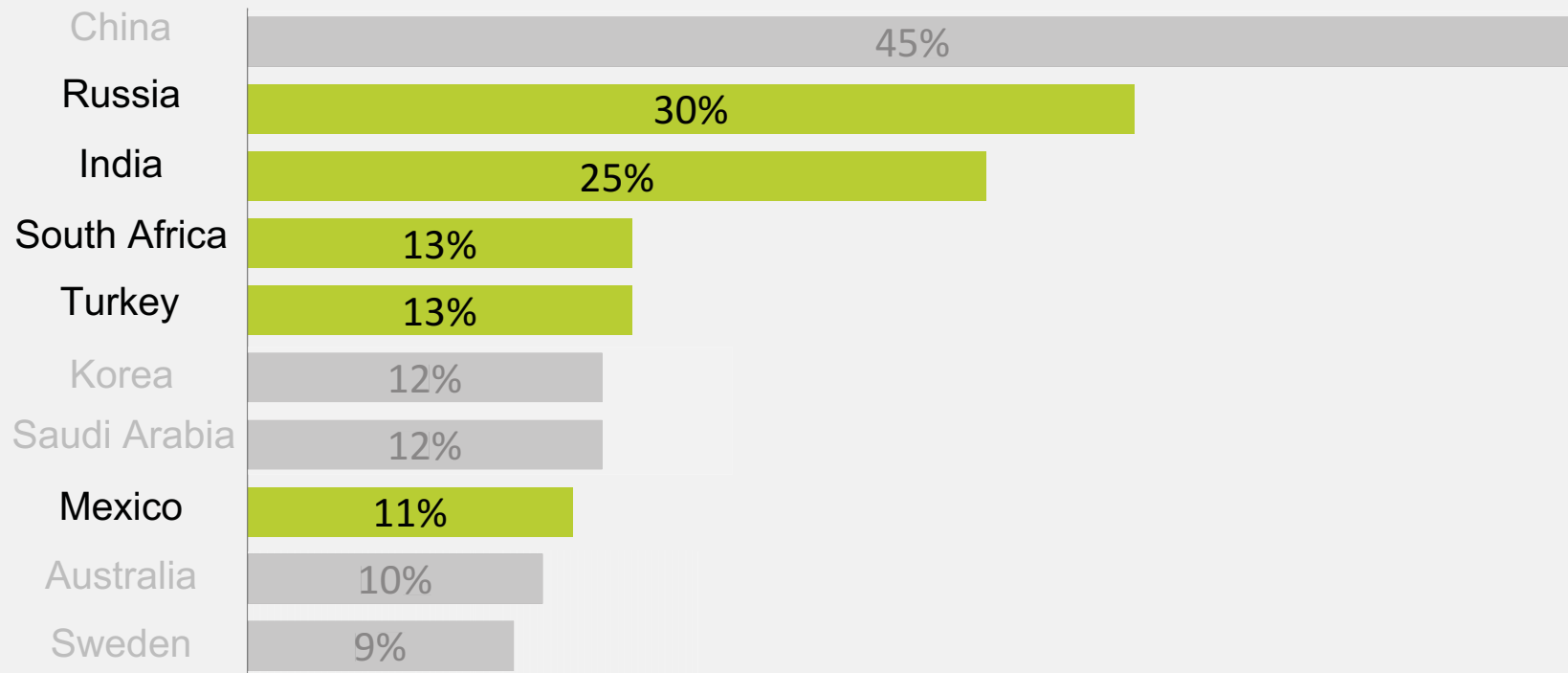
High-growth markets and cross-border trade are the new engines of growth



Data: the path from Payments to Financial Services

In 5 out of the top 10 fastest growing payments markets

Number of digital payment transactions, 2012-2016, 5-year CAGR

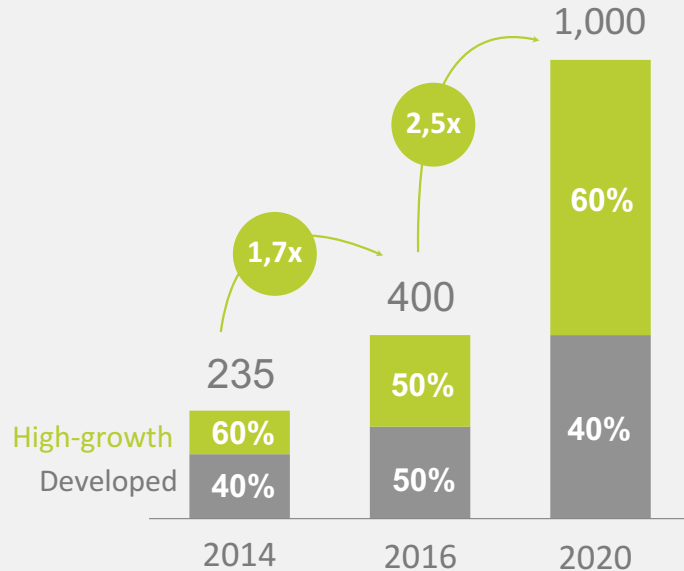


Source: Bank of International Settlements (BIS) Red Book for all payments data (except paper checks and paper credit transfers)

Cross-border trade offers further upside

RAPIDLY GROWING BUSINESS

Global online cross-border industry size (B2C), US\$bn



2/3 of total growth expected to be generated from high-growth markets

STRONG ECONOMICS



Growing at 150% YoY
3x local payments growth



Yielding 2-3x more on
revenues than local payments

OUR SOLUTION

PayUhub



airbnb

Google

adyen

AliExpress



NETFLIX

Booking.com

BIGCOMMERCE



worldpay

Key trends in payments



The shift to digital payments



High-growth markets and cross-border trade are the new engines of growth



Data: the path from Payments to Financial Services

Consumer touchpoints create opportunity for big data play



PAYU GLOBAL

US\$25bn

annual processed volumes

>600m

annual transactions

>300k

merchants



INDIA EXAMPLE

35m

unique cards stored

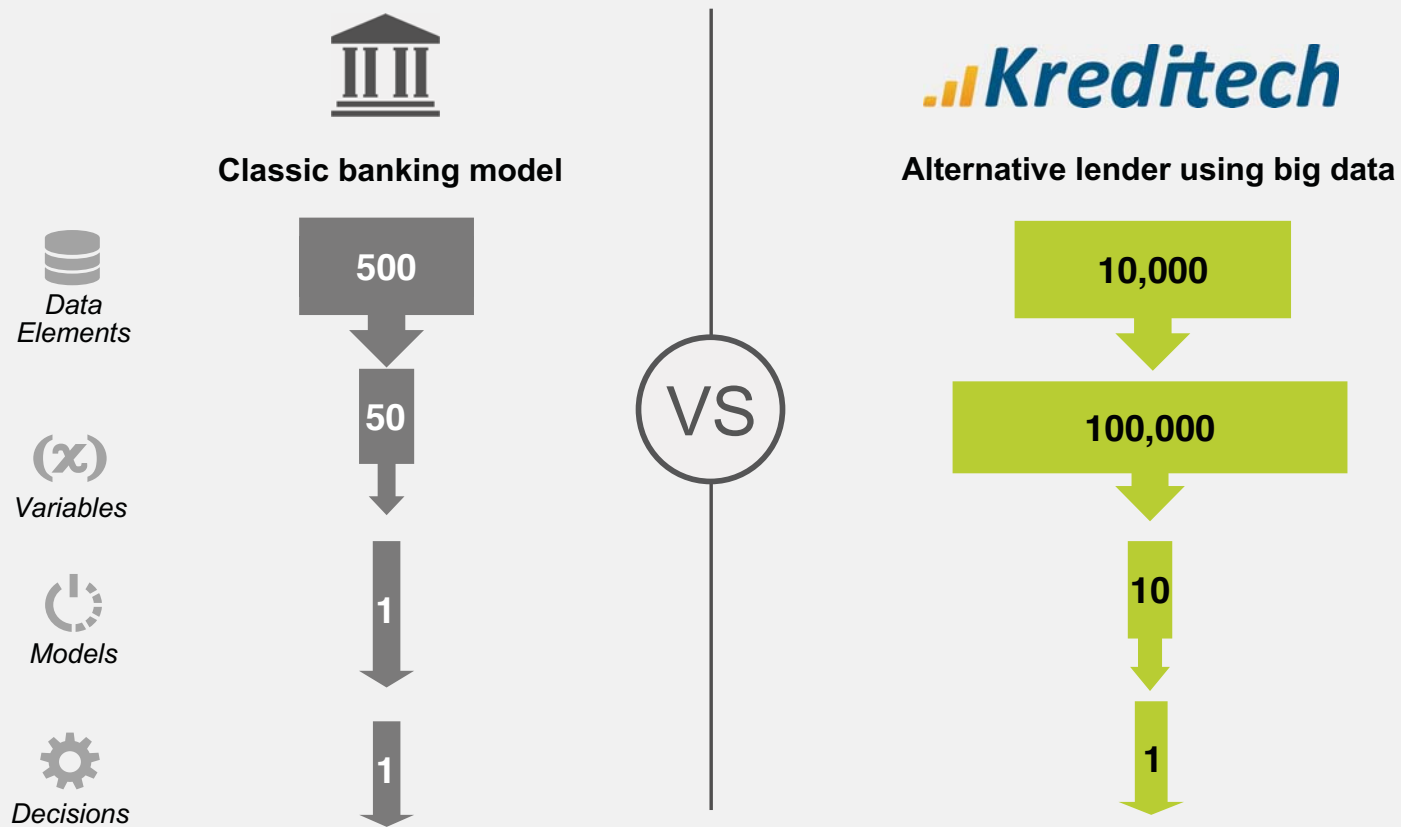
3.5bn

unique data points

90

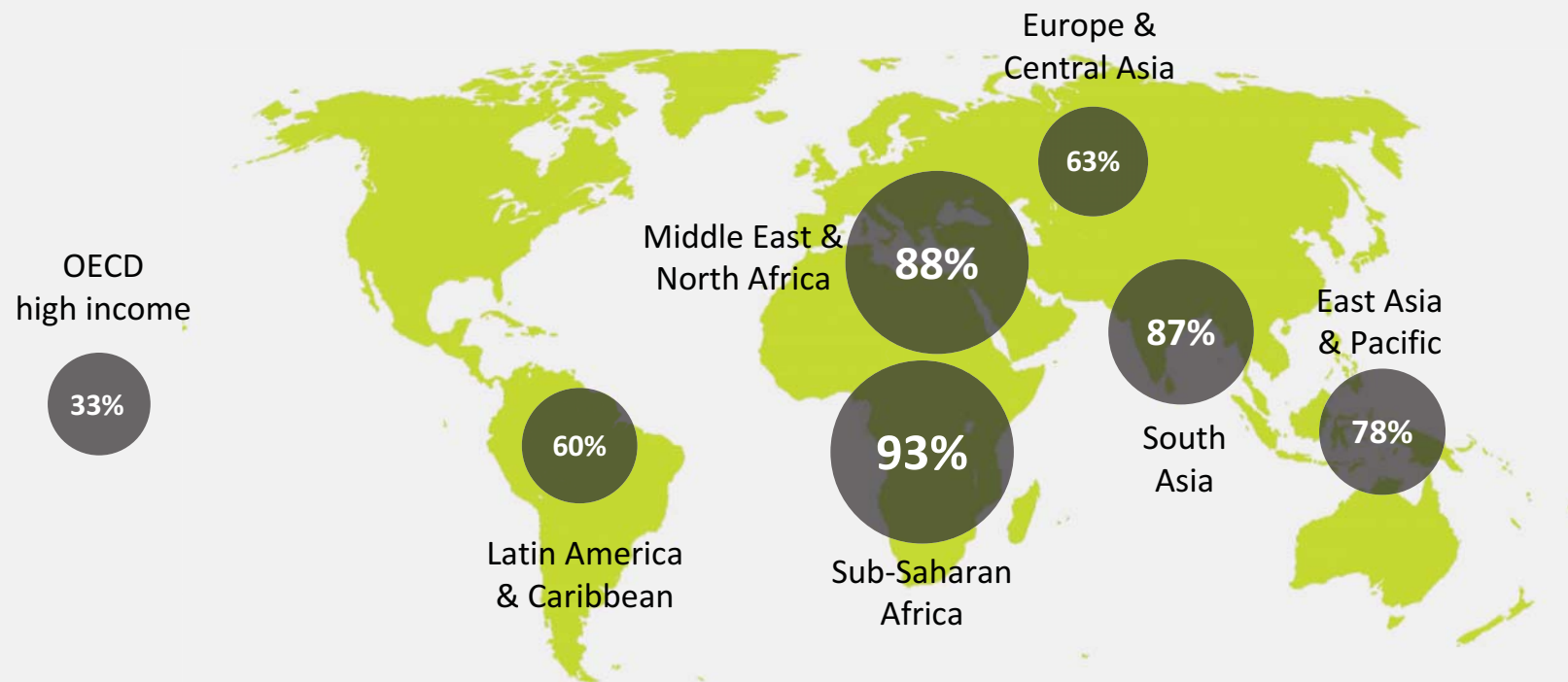
*clients out of top 100
online merchants*

A new approach to credit scoring



2 billion people with no formal access to credit

Share of adult population with no credit bureau coverage



Source: Worldbank

Key trends in payments



The shift to digital payments



High-growth markets and cross-border trade are the new engines of growth



Data: the path from Payments to Financial Services

Our top priorities

GOAL: #1 Payments and Financial Services player in growth markets

1

Scale & efficiency
in core payment
business



2

Accelerate
consumer
& merchant credit



3

Play & invest
across relevant
fintech verticals



Delivering scale & efficiency



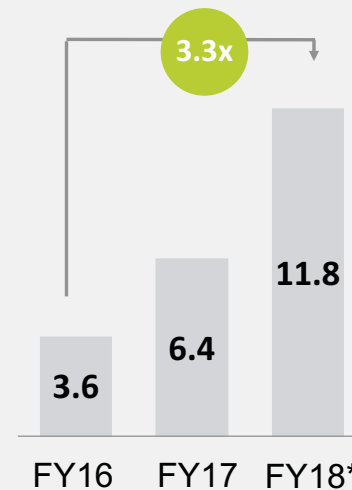
1

M&A rationale and goals

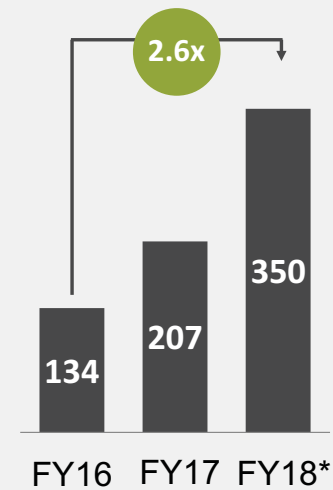
- Create #1 PSP player in India
- Accelerate business build by 3 years
- Breakeven in 18 months
- Move into Financial Services

PayU India: Impact on scale

Total payments volume
in US\$ billion



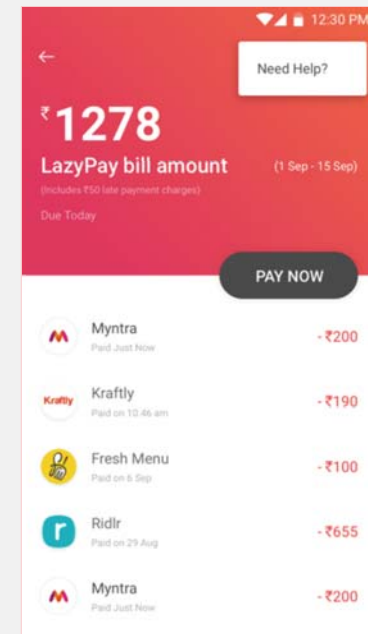
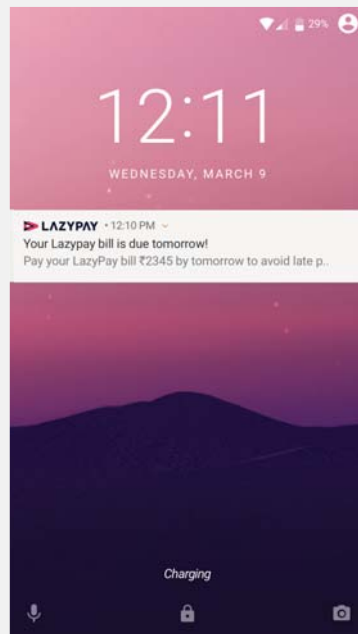
Total payments
transactions in million



*FY18 data reflects 1HFY18 run-rate annualised

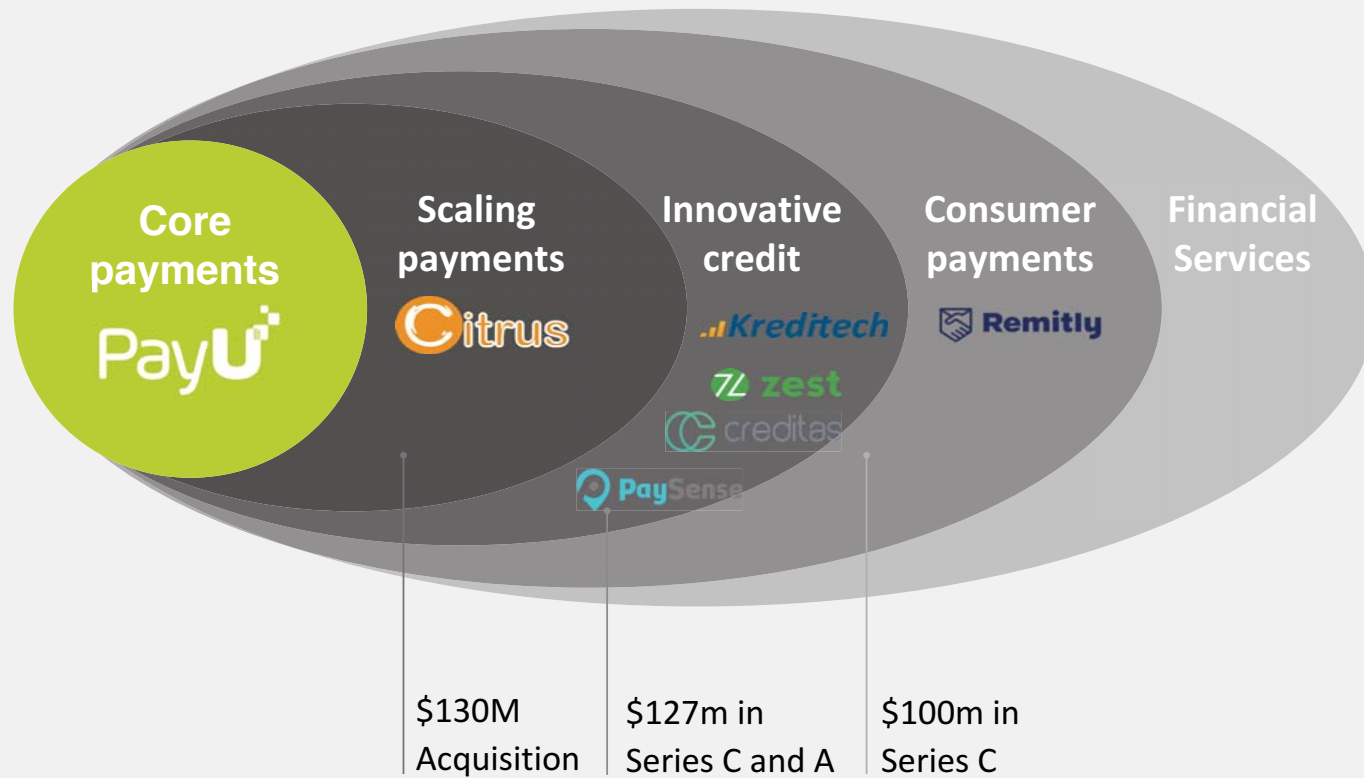
Innovating locally in credit

2



Playing and investing across all of Fintech

3

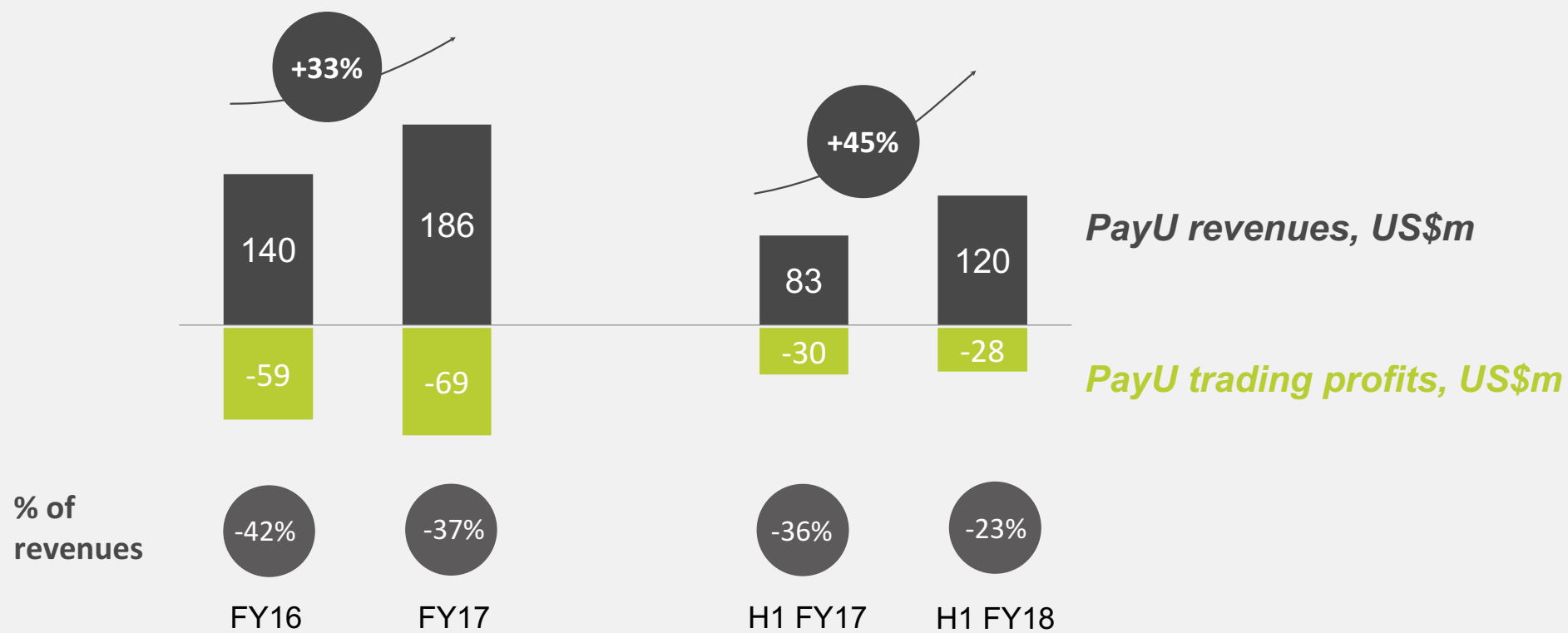


Continue to deliver strong operating growth

PayU: Total Payment Volume, US\$bn



And our path to profitability



Note: Financials exclude Associates (minority investments). FY17 Financials also impacted by Citrus Pay acquisition

Takeaways

Focus on growth markets and cross-border trade

Expansion into Financial Services by leveraging payments data

Strong top line growth and clear path to profitability

 @laurentlemoal