

## Q4 2023

### 1. Revenue growth metrics

- **Narrative:** Management has articulated a strategic focus on enhancing financial performance through increased revenue growth metrics. This includes a clear plan to boost the average ticket size and optimize financial maneuvers to leverage favorable quarters. The company aims to systematically capitalize on these opportunities to fuel further growth and maintain momentum into the next fiscal year.

- **Management's Guidance:**

- Management expects a 10% average increase in the average ticket size as part of their strategy to drive revenue growth. This is indicative of their commitment to improving financial metrics and expanding revenue streams. Additionally, they plan to move forward with financial strategies that capitalize on successful quarters to enhance overall financial stability.

- **Actual Results:**

**['Q3', '2024']:**

- The average ticket size increased by 20% in Q3 FY24, exceeding the management's guidance of a 10% increase.

**['Q1', '2024']:**

- Our average ticket size, which is Rs. 42,400 as of Q1 versus Rs. 41,200 as of Q4, up only 3% outstanding per borrower, which is 25,800 versus 25,600.

**['Q2', '2024']:**

- The average ticket size for Q2 2024 was reported as ■42.2K, which indicates a 0.5% increase from Q1 2024 (■42.4K to ■42.2K). This is below the management's guidance of a 10% increase.

**['Q4', '2023']:**

- Average ticket size in Q4 FY23 was around INR37,900, up by only 6% from INR35,700 in FY22, which is below the management's guidance of a 10% increase.

- **Evaluation:**

- **Expectations Exceeded:** The average ticket size increased by 20% in Q3 FY24, surpassing management's guidance of a 10% increase, indicating that the revenue growth strategy exceeded expectations.

### 2. Cost management strategies

- **Narrative:** Management highlighted their commitment to cost efficiency by targeting a reduction in non-performing assets within the company's portfolio.

- **Management's Guidance:**

- Management aims to reduce non-performing assets to below 2% by the end of the calendar year.

- **Actual Results:**

**['Q3', '2024']:**

- Data Not Available

**['Q4', '2023']:**

- Data Not Available

**['Q1', '2024']:**

- Data Not Available

**['Q2', '2024']:**

- Data Not Available

- **Evaluation:**

- Insufficient Info: Data not available.

### 3. Loan portfolio expansion

- **Narrative:** Management outlined their strategy to expand the loan portfolio by increasing the loan ticket size for first-time borrowers. This move is intended to drive growth by enhancing the borrowing capacity of new customers, thereby increasing the overall loan disbursement and supporting the target of substantial portfolio growth in the upcoming fiscal year.

- **Management's Guidance:**

- Management aims to increase the loan portfolio by 20% over the next fiscal year. The first loan ticket size has been increased to INR40,000 from the previous INR30,000 to INR31,000 range, in alignment with the guidance to adjust the ticket size upwards by around 10% to 12%.

- **Actual Results:**

**['Q1', '2024']:**

- d13839583c6b096a7938ff20e6a69a2b --> Anand Dama: "If you remember last two earning calls, we had mentioned that, we increased our first loan cycle from INR30,000 to up to INR40,000. But if I can give you data of June, my average ticket size for the first cycle is still INR37,500."

**['Q2', '2024']:**

- Data Not Available

**['Q3', '2024']:**

- Data Not Available

**['Q4', '2023']:**

- The actual results indicate that the incremental disbursement ticket size is roughly INR40,000. Additionally, the average first loan ticket size is reported to be in the range of INR37,000, which was earlier around INR30,000 to INR31,000.

- **Evaluation:**

- **Expectations Met:** The management aimed to increase the loan portfolio by 20% with an increased first loan ticket size to INR40,000. The actual results show an average ticket size of INR37,500, aligning with the guided increase, thus meeting expectations.

### 4. Branch network strategy

- **Narrative:** Management has focused on expanding the branch network significantly as part of their operational efficiency and expansion strategy. During the financial year 2023, the company demonstrated a strong commitment to growth by increasing their branch count by 16%, thereby strengthening their market presence.

- **Management's Guidance:**

- The company plans to continue this expansion trajectory by opening 50 new branches by the end of the next quarter.

- **Actual Results:**

**['Q2', '2024']:**

- We have added two new states Andhra and Telangana this quarter and have also opened up 61 new branches taking our total network to 22 States and 1164 branches.

**['Q1', '2024']:**

- In this quarter, we have opened 17 branches pan-India.

**['Q3', '2024']:**

- Our network has expanded to 1,242 branches across 22 states after the addition of 78 new branches in Q3, FY '24. 70% of the new branches added have been in non-top five states. We have added 1.83 lakhs new customers in Q3 and 4.23 lakh customers YTD in this financial year.

**['Q4', '2023']:**

- We have added 152 branches in financial year '23. Our branch strength now stands at 1,086 versus 934 in the financial year 2022, which is a growth of around 16%.

**- Evaluation:**

- **Expectations Exceeded:** The company planned to open 50 new branches by the end of the next quarter but significantly exceeded this target by opening 61 new branches, demonstrating a stronger-than-anticipated expansion of their branch network.

**5. Geographic diversification plans**

- **Narrative:** Management highlighted their geographic expansion strategy, focusing on the southern states of India. They emphasized the significance of their recent entry into Karnataka and expressed plans to extend operations into Andhra Pradesh and Telangana following a favourable legal development.

**- Management's Guidance:**

- Management anticipates initiating operations in Andhra Pradesh and Telangana following a favorable order from the Telangana High Court.

**- Actual Results:**

**['Q2', '2024']:**

- Moving to slide number 18 as diversification is one of our key strategies since inception from operating in 12 states in 2017 to 22 states across 1164 branches as of Q2.

**['Q3', '2024']:**

- Data Not Available

**['Q4', '2023']:**

- From operating in 12 states in 2017, now we are present in 20 states as of March 2023. We have also recently launched our business in Karnataka.

**['Q1', '2024']:**

- Management reported successful entry into Karnataka, with operations commencing in major cities and plans on track for Andhra Pradesh and Telangana.

**- Evaluation:**

- **Expectations Met:** Management successfully entered Karnataka and initiated operations there, with plans for Andhra Pradesh and Telangana on track, aligning with their stated geographic expansion strategy and guidance.