FIN2RESEARCH
Investment Advisor Pvt. Ltd.

Rating	
Business	★★★★☆
Financials	★★★☆☆
Valuation	★★★☆☆
Management	★★★★☆

Company : PB Fintech Limited. **Sector : Fintech**

CMP : ₹ 1505 **Rating - BUY** **Target : ₹1808** **Potential Upside: 20.00%** **Research Report**

Stock Info	
Market Cap (₹ in cr)	69112.74
52-Weeks High/Low	2,215.70/554.65
Avg Volume (Mn)	383.719
No. of eq shares (cr)	45.12
Face Value	2.00
Bse Code	543390.00
Nse Code	PB FINTECH
Free Float (cr)	49762.67

Source : NSE/BSE

Particulars	2023	2024
P/E (x)	At Loss	1453.79
P/B (x)	6.53	16.20
EV/EBITDA (x)	-86.10	484.80
P/S (x)	13.98	27.67
EPS	-10.97	1.45
ROCE (%)	-8.65%	1.09%
ROE (%)	-8.96%	1.13%
Interest Coverage	-18.85	7.34
Equity/Assets	0.88	0.87

Soruce : Company

Particulars	2024	2024 (TTM)
Promoters	-	-
Mutual Funds/AIF	12.42%	14.78%
Insurance co.	4.02%	4.17%
Other DIIs	0.31%	1.62%
Govt of India	0.00%	0.00%
FDI	7.58%	3.04%
FII	41.39%	44.75%
Retails and Others	33.69%	31.36%
Total	100.00%	99.73%

Soruce : NSE/BSE

Particulars	TTM
P/E	282.36
P/B	11.77
EV/EBITDA	157.51
P/S	14.89
EPS	5.33
P/CF	28.30

Source : Company

PB Fintech Limited: The group is an umbrella entity comprising India's leading marketplaces that offer end-to-end insurance and credit solutions. It leverages technology and data to simplify complex choices, deliver personalized financial products, and drive innovation. Its insurance marketplace targets Indian middle-class families seeking protection against death, disease, and disability by providing comprehensive product options, streamlined policy management, and claim support, while also serving corporate clients under PB for Business and operating in the UAE as Policybazaar.ae. Additionally, its credit marketplace, Paisabazaar, offers diverse credit options and tools for managing credit scores, and PB Partners supports around 270,000 partners with a technology-driven platform for managing insurance sales.

Key Highlights:

Entry in Healthcare Sector : Yashish Dahiya, Chairman and Group CEO of PB Fintech, had previously outlined plans to integrate healthcare services with its insurance platform, aiming to enhance customer experience and accessibility. The company's entry into the healthcare sector is expected to address key gaps by fostering collaboration among insurers, providers, and patients, streamlining processes, and offering better financial protection. This initiative aligns with India's broader goal of expanding universal healthcare coverage through digital innovation, further underscoring PB Fintech's commitment to diversification and transformative change.

Strategic Brand Building and Market Penetration Initiatives : Looking ahead, Paisabazaar has laid out an ambitious brand roadmap targeting FY29, which is integral to its long-term growth strategy. The company is planning a multi-channel, region-specific marketing strategy that spans OTT, Connected TV, print, and digital platforms to drive deeper consumer engagement and brand recall. Campaigns such as "Loan/Card - Lene Ka Sahi Tareeka" and "Credit Score Check - Aadat Achhi Hai" are designed to educate consumers and promote financial literacy, thereby reinforcing the brand's commitment to transparency and consumer empowerment.

Advanced Technology, AI, and Digital Transformation
A key driver behind Paisabazaar's operational efficiency is its aggressive deployment of advanced technologies. The platform leverages a proprietary **SmartMatch algorithm** to provide personalized, transparent, and unbiased credit product recommendations, significantly enhancing consumer decision-making. Furthermore, the introduction of the **Digi Agent**—an AI-powered virtual assistant—has transformed customer service operations. This tool delivers a **250% productivity improvement** over traditional human agents by handling more than **5 lakh calls per day** across multiple languages, thereby reducing cost per unit revenue by 30% and virtually eliminating miss-sell incidents.

Robust Premium and Revenue Growth:
PB Fintech reported a total insurance premium of approximately ₹6,135 Cr for the quarter—a 44% year-on-year increase. Core insurance premiums grew by 42%, while core insurance revenue surged by 45%. Overall revenue climbed by 48% to ₹1,292 Cr. This strong performance underscores the company's ability to drive top-line growth through its diversified insurance offerings.

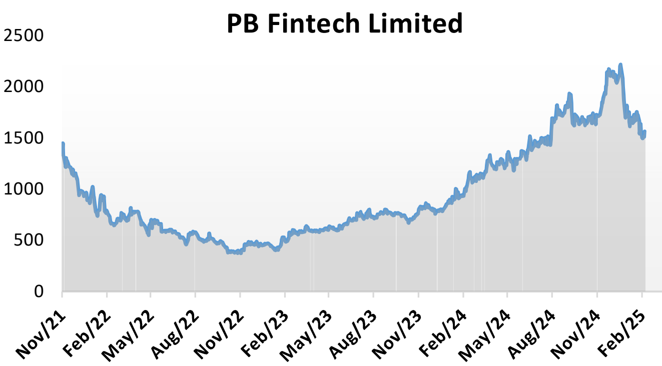
Renewal ARR as a Key Profitability Driver:
A standout metric is the company's renewal Annual Recurring Revenue (ARR), which grew from ₹287 Cr two years ago to ₹454 Cr last year, and now stands at ₹665 Cr. This consistent doubling every two years reinforces the long-term profitability narrative and the critical role of renewals in stabilizing and enhancing margins.

Key Risk :

- ***1.*** Industry are buzzing about the regulator's plan for a UPI-style breakthrough in insurance—a move that could totally revamp the customer experience. However, this bold step might put PB Fintech in a tight spot, as the new Bima Sugam marketplace is expected to stir up fierce competition, potentially slashing its revenue, market share, and profit margins over time.

- ***2.*** The introduction of Bima Sugham is expected to push PB Fintech to increase its advertising spend in the coming years, potentially squeezing margins and lowering the company's valuation. Currently, PB Fintech allocates about 40-50% of its revenue to advertising, and this cost is likely to escalate further.

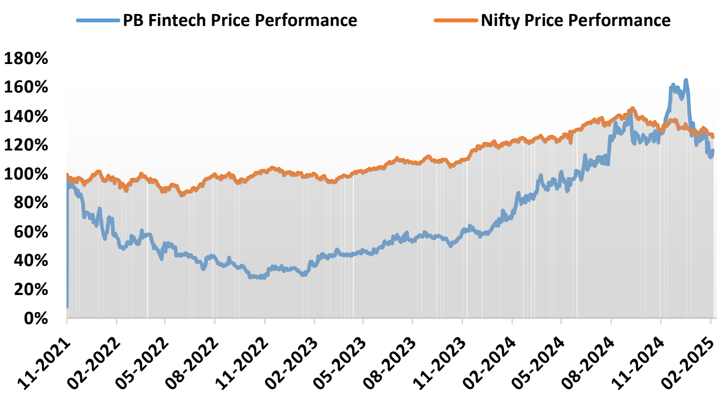
Price Chart

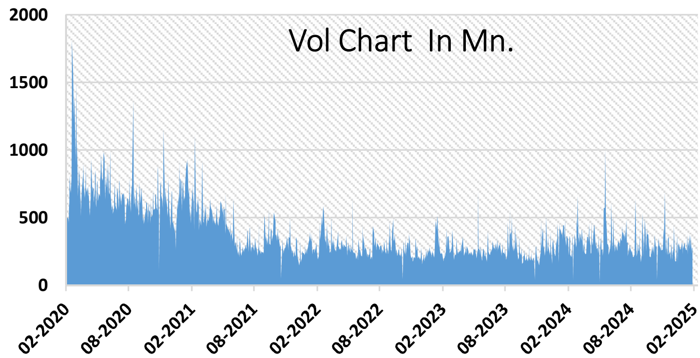


Particulars	1M	6M	1Y	Inception
Absolute Return	-10.82%	-12.40%	38.45%	20.30%
Nifty Index	-2.65%	-9%	2.26%	32.89%
Relative Return	**-8.17%**	**-2.94%**	**36.19%**	**-12.59%**

Financial Summary			
Rs. Cr	FY-22	FY-23	FY-24
Revenue from operations	1424.89	2557.85	3437.68
YOY growth (%)	60.70%	79.51%	34.40%
OPM(%)	-0.63	-0.26	-0.05
EPS (Rs)	-20.34	-10.97	1.45
EPS growth (%)	3.95	0.46	1.13
P/E (x)	-22.04	-72.44	1453.79
EV/EBITDA (x)	-20.96	-86.10	484.80
Debt/Equity (x)	-0.21	-0.56	1.30
RoE (%)	-22.53%	-8.96%	1.13%
RoCE (%)	-21.69%	-8.65%	1.09%

Performance Chart





Source Company

Valuation

- PB Fintech's entry into the healthcare sector aims to integrate healthcare services with its insurance platform, enhancing customer experience and accessibility. By bridging gaps between insurers, providers, and patients, the company seeks to streamline processes and improve financial protection. Aligned with India's push for universal healthcare through digital innovation, this move reflects PB Fintech's commitment to diversification and transformation. The initiative is expected to drive higher revenue, while its largely fixed cost structure could lead to improved operating margins in the coming years.

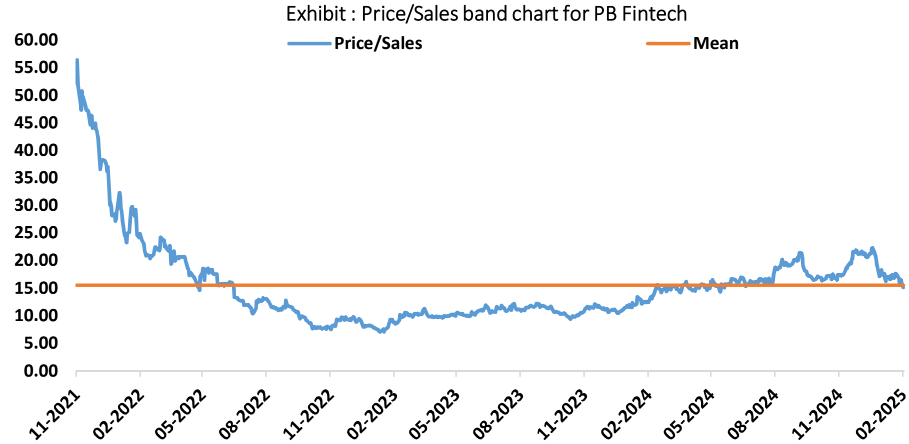
- PB Fintech is heavily investing in technology and AI to streamline customer onboarding and claims support. Initiatives like the Garage network, which collaborates with 100 garages for motor insurance, are enhancing service quality and operational efficiency. By leveraging AI, the company aims to reduce operating costs and expand its reach to a broader target audience at minimal cost, ultimately driving higher sales and customer satisfaction. Currently, customer onboarding, claims support services, and insurance CSAT have improved to 90.2%, up from 90% last quarter.

- Despite significant increases in marketing and operational expenses, the company has demonstrated strong fixed cost leverage. As revenue grows at 45% year-on-year while fixed costs increase at a lower rate, operating margins are expected to improve. This cost structure is a key driver for sustainable margin expansion in future quarters.

- We expect PB Fintech's price-to-sales (P/S) ratio to remain in line with its three-year average of 15.5, while sales continue to grow in the coming years, driven by strong business operations and expansion into new segments. As a result, we anticipate a target price of ₹1,800 per share in the upcoming period.

- PB Fintech's market share has been on an upward trend, driving higher volumes and sales in the coming years. With a historical revenue CAGR of approximately 35-40% (FY21-FY24) expected to sustain, the P/S ratio is likely to remain aligned with its mean level. Applying a target P/S multiple of 15.5x to account for strong growth, we derive a valuation of ₹1,800 per share, implying a ~21% upside. Hence We anticipate minimal disruption from the expected launch of Bima Sugam in April 2025.

Exhibit : Price/Sales band chart for PB Fintech



CMP : ₹ 1505 | Rating - BUY | Target : ₹1808 | Potential Upside: 20.00% | Research Report

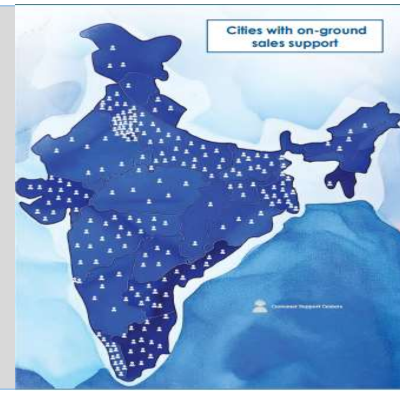
SWOT ANALYSIS

S STRENGTHS

• Market Leadership & Scale: PB Fintech's digital platform covers 99% of India's PIN codes and has a massive user base (4.9 crore registered credit score consumers, with a new consumer added every 4.5 seconds).

• Robust Revenue Growth & Turnaround: Q3 2025 revenue from operations reached ₹1,291.62 Cr – a 48.31% YoY increase & Profit after tax (PAT) for Q3 2025 climbed to ₹71.54 Cr, marking a significant recovery from previous losses.

• Technological Innovation:Deployment of advanced AI tools like the SmartMatch algorithm and the Digi Agent (which has delivered a 250% productivity improvement) has enhanced operational efficiency and fraud detection.

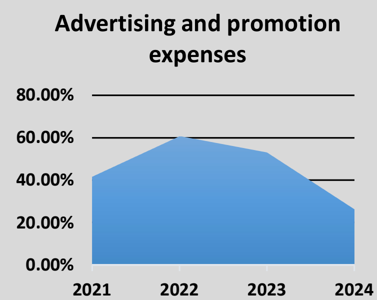


W WEAKNESSES

• High Cost Structure: Advertising and marketing expenses currently consume 40–50% of revenue, and these costs are expected to rise further with upcoming initiatives. This heavy expenditure pressure has yet to translate into sustainable margin expansion.

• Underperforming Credit Segment: The unsecured lending business has seen a 20% YoY decline, raising concerns about credit quality and the inherent risks in the company's credit portfolio.

• Heavy Reliance on Costly Technology Investments: Substantial capital is directed toward advanced AI and digital platforms. While these investments enhance operational efficiency, they also add cost volatility and expose the company to risks such as cybersecurity breaches and technological disruptions.



O OPPORTUNITIES

• **Expanding Digital Penetration:**
– With smartphone penetration at around 73.2% and internet access at 54.2%, there is vast untapped potential in India's underpenetrated insurance market (with overall insurance penetration around 4% of GDP).

• **International Expension:**
– Rapid expansion in the UAE—with insurance ARR reaching approximately ₹1,222 Cr and 10x premium growth since inception—presents significant revenue diversification opportunities.

• **Diversification of Financial Services:**
– Initiatives like PBmoney and further credit product diversification can increase cross-selling, improving customer lifetime value.

Geography	Penetration (%)			Density (USD)		
	Life	Non-Life	Total	Life	Non-Life	Total
USA & Canada	2.7	8.6	11.3	1,999	6,416	8,415
Advanced EMEA	4.3	3.0	7.4	1,957	1,351	3,308
Emerging EMEA	0.6	1.0	1.5	30	49	80
Advanced Asia Pacific	5.4	3.1	8.6	1,964	1,133	3,096
Emerging Asia	2.1	1.6	3.6	131	98	229
World	2.8	4.0	6.8	354	499	853
India	3.0	1.0	4.0	70	22	92

T THREATS

• **Disruptive Regulatory Initiatives – Bima Sugam Impact** : The upcoming Bima Sugam marketplace, modeled on a UPI-style approach, is set to transform the insurance landscape. This initiative could force PB Fintech into a fiercely competitive environment, potentially eroding its revenue, market share, and profit margins. The need to counter this disruption is expected to drive advertising spend even higher (currently 40–50% of revenue), further pressuring margins.

• **Cybersecurity and Technological Risks:** The company's heavy reliance on advanced digital platforms and AI solutions exposes it to cybersecurity threats, data breaches, and rapid technological disruptions that could undermine customer trust and operational efficiency.

• **Macroeconomic and Market Volatility :** Economic uncertainties and potential downturns can adversely affect consumer spending on insurance and credit products, leading to slower premium growth and reduced loan disbursal volumes.

Mr. Yashish Dahiya	Chairperson, Executive Director & Chief Executive Officer
Mr. Alok Bansal	Executive Vice Chairman & Whole Time Director
Mr. Sarbvir Singh*	Executive Director & Joint Group Chief Executive Officer
Mr. Mandeep Mehta	Group Chief Financial Officer
Mr. Bhasker Joshi	Company Secretary & Compliance Officer

Mr. Yashish Dahiya
Number of Equity Shares Held in PB Fintech Limited (31st march FY-24)
2,08,96,378.

Name & Category of Director	DIN	No of Board meeting		Last date of AGM held on September 23, 2023	No. of other Directorships and Memberships/ Chairmanship held		
		Eligible to attend	Attendance		Other directorship**	Committee Membership	Committee Chairmanship
Mr. Yashish Dahiya (Chairman, Executive Director & CEO)	00706336	6	6	Yes	5	1	-

₹ 270 lakhs remuneration paid to Mr. Yashish dahiya from PB Fintech FZ LLC (wholly owned subsidiary of PB Fintech Limited

He holds a Postgraduate Diploma in Management from the Indian Institute of Management Ahmedabad, a Master's degree in Business Administration from INSEAD, France, and a Bachelor's degree in Technology from the Indian Institute of Technology Delhi. His previous professional experience includes roles at ITW Signode India Limited, Bain & Company Inc. (London), eBookers PLC (UK), and CI2I Investments Limited.

Mr. Alok Bansal
Number of Equity Shares Held in PB Fintech Limited (31st march FY-24)
75,38,078

Name & Category of Director	DIN	No of Board meeting		Last date of AGM held on September 23, 2023	No. of other Directorships and Memberships/ Chairmanship held		
		Eligible to attend	Attendance		Other directorship**	Committee Membership	Committee Chairmanship
Mr. Alok Bansal (Executive Vice Chairman & Whole Time Director	01653526	6	6	Yes	7	1	-

Name of the Director	Sitting Fee	Fixed Fees	Salaries & Allowances	Value of Perquisites (ESOPS)	Company's Contribution to PF	Performance Variable Pay	Total
Mr. Alok Bansal	-	-	87,30,652	-	21,600	60,35,750	1,47,88,002

Mr. Alok Bansal stepped down as the Chief Financial Officer (CFO) of the Company and was redesignated as Executive Vice Chairman and Whole-Time Director, effective May 2, 2022. He holds a Postgraduate Diploma in Management from the Indian Institute of Management Calcutta and a Bachelor's degree in Technology from Shri Shahu Ji Maharaj University, Kanpur. His previous professional experience includes roles at Voltas Limited, General Electric International Operations Co. Inc. (India), iGate Global Solutions Limited, Mahindra & Mahindra Limited, and FE Global Technology Services Private Limited.

Mr. Sarbvir Singh
Number of Equity Shares Held in PB Fintech Limited (31st march FY-24)
3,51,500

Name & Category of Director	DIN	No of Board meeting		Last date of AGM held on September 23, 2023	No. of other Directorships and Memberships/ Chairmanship held		
		Eligible to attend	Attendance		Other directorship**	Committee Membership	Committee Chairmanship
Mr. Sarbvir Singh (Joint Group CEO & Whole Time Director)	00509959	6	6	Yes	6	-	-

Mr. Sarbvir Singh receives remuneration from Policybazaar Insurance Brokers Private Limited, a wholly owned subsidiary of PB Fintech Limited. His annual fixed salary is Rs. 1,69,75,656/-.

He holds an integrated Master's degree in Mathematics and Computer Applications from the Indian Institute of Technology Delhi and a Postgraduate Diploma in Management from the Indian Institute of Management Ahmedabad. He has previously served as the Managing Partner of WaterBridge Capital Management LLP and as the Managing Director of Capital18, a part of the Network18 group.

Name & Category of Director	DIN	No of Board meeting		Last date of AGM held on September 23, 2023	No. of other Directorships and Memberships/ Chairmanship held		
		Eligible to attend	Attendance		Other directorship**	Committee Membership	Committee Chairmanship
Ms. Kitty Agarwal (Non-Executive, Non- Independent Director)	07624308	6	6	Yes	1	-	1

Ms. Kitty Agarwal
Number of Equity Shares Held in PB Fintech Limited (31st march FY-24)
Nil

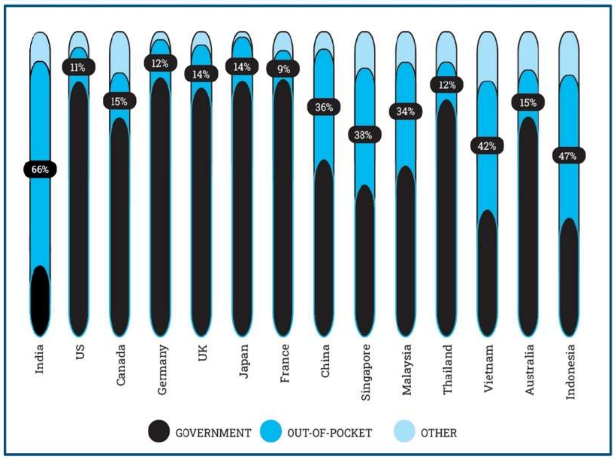
She holds a Postgraduate Diploma in Agri-Business Management from the Indian Institute of Management Ahmedabad and a Bachelor's degree in Business Management from Bangalore University. She is currently a Partner at InfoEdge Ventures and was previously the Head of Corporate Development at Info Edge (India) Limited.

Policy Bazar Overview And Industry Analysis

India continues to have one of the widest protection gaps

66% of Health expenditure is Out-of-Pocket: Health insurance is needed

Health Expenditure by Source of Financing



Country	Out-of-Pocket as % Healthcare Expense
India	66%
Australia	15%
Canada	15%
China	36%
France	9%
Germany	12%
Indonesia	47%
Japan	14%
Malaysia	34%
Singapore	38%
Thailand	12%
UK	14%
US	11%
Vietnam	42%

Note: Source – Swiss Re Report on Health Protection Gap, OECD

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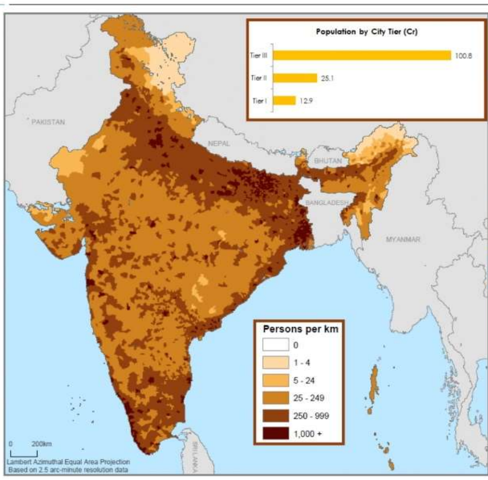
India is vast and growing

The future is in Tier 2 & 3 cities



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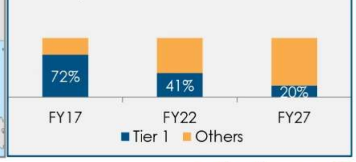
Emerging Asia	2.1	1.6	3.6	131	98	229
World	2.8	4.0	6.8	354	499	853
India	3.0	1.0	4.0	70	22	92

City wise Insurance Premium



Tier 1 cities contribute 10% population of the country but 41% of Insurance premium

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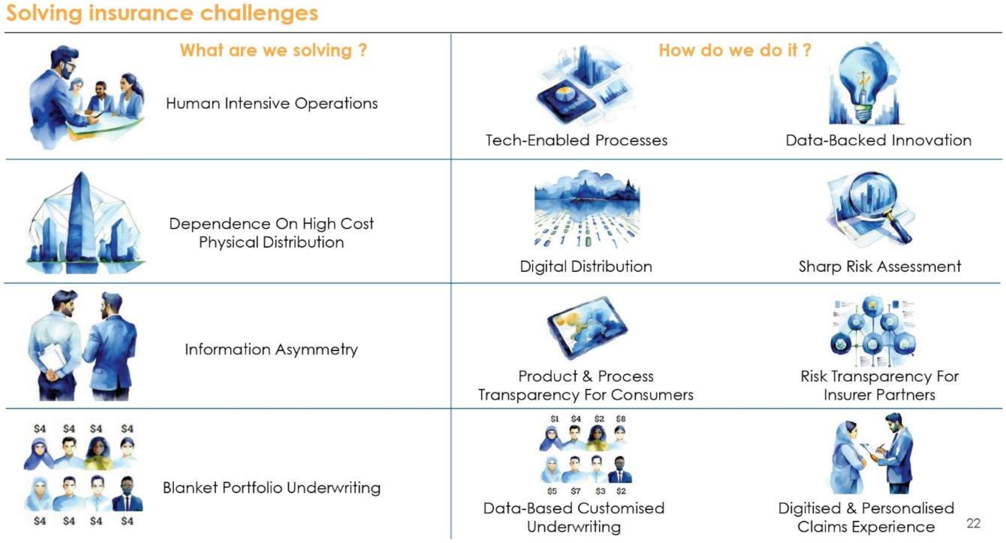
Policybazaar.com

Solving insurance challenges



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Dominant Revenue Source: Insurance broking constitutes a substantial portion of PB Fintech's total revenue. In Q3 FY25, it formed **87.6% of total collections**.

Significant Growth: Insurance broking collections for PB Fintech surged by **62.4% year-on-year** in Q3 FY25, reaching **Rs 1,132 crore**, compared to Rs 697 crore in Q3 FY24.

Overall Revenue Growth: This strong performance in insurance broking contributed to PB Fintech's overall revenue increase of **48.3% year-on-year** in Q3 FY25, with total revenue reaching **Rs 1,292 crore**.

Profitability: The company also witnessed a **94.6% surge in profits** to Rs 72 crore in Q3 FY25, driven by this revenue growth.

Digital Transformation in Insurance (InsurTech): The insurance industry in India is increasingly embracing technology (InsurTech) for better risk assessment, product design, and pricing. Report by IRDAI emphasizes that technology is seen as beneficial for insurers to understand risks and improve efficiency. This digital shift aligns with PB Fintech's online platform model

The IRDAI has pursued its "Insurance for All" vision for 2047 by implementing major reforms. It has repealed nearly 70 outdated regulations, eliminated around 1,000 circulars, and simplified reporting requirements to streamline operations. With India's population projected to reach 1.7 billion by 2047, the agency acknowledges the immense challenge of reaching rural communities and emphasizes the need for automated, scalable underwriting processes. Additionally, IRDAI promotes the adoption of advanced technologies—such as big data, AI, and ML—and supports insurtech, regtech, and fintech solutions, perfectly aligning with the PB fintech approach.

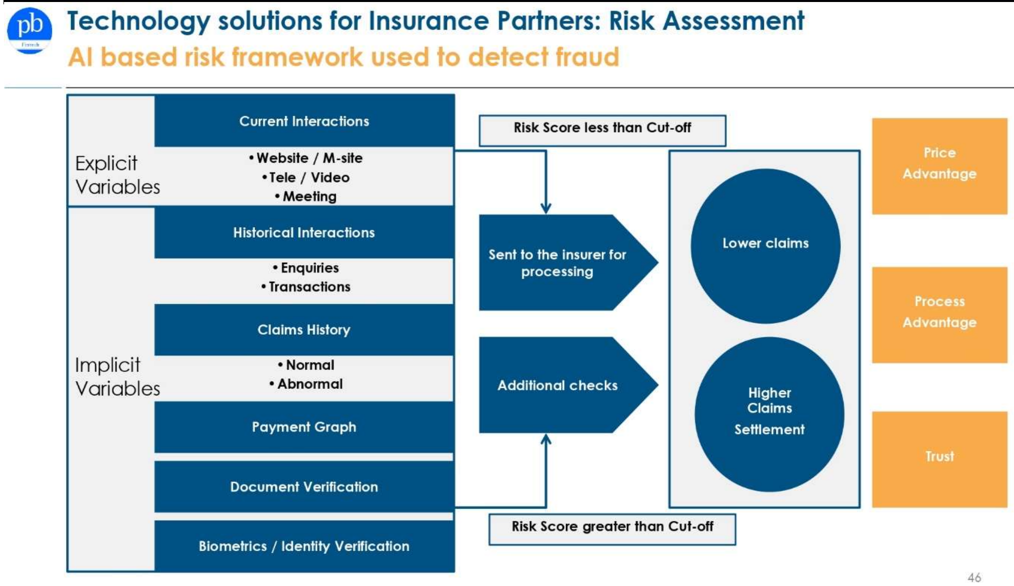
Financial Inclusion and Awareness: Schemes like **Bima Sakhi Yojana** aim to empower women to promote financial literacy and insurance awareness, potentially expanding the insurance market and thereby increasing commission opportunities.

Regulatory Support: IRDAI is taking steps to enhance the insurance sector, including initiatives like **Bima Sugam** (an e-marketplace platform) and **Bima Vahak** (a women-centric distribution channel). These measures aim to broaden insurance access and improve efficiency.

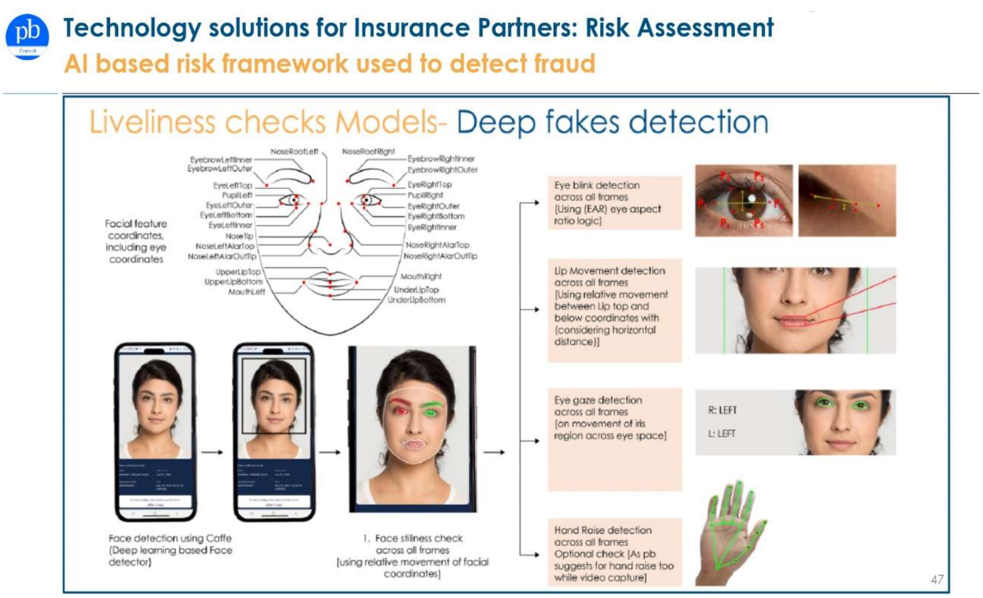
Focus on Microinsurance and Health Insurance: Government policies are increasingly focused on expanding health insurance coverage and promoting microinsurance to reach underserved populations. Recommendations to reduce GST on health and microinsurance products could make insurance products more affordable and increase penetration, indirectly benefiting commission revenues.

Digital distribution is revolutionizing the Indian insurance market. Industry analyses indicate that consumer awareness and favorable regulations are fuelling rapid growth. The "pull–based" model of online aggregators like Policybazaar is expected to sustain robust commission and reward income over the medium term.

AI based risk framework used to detect fraud Used By The Company

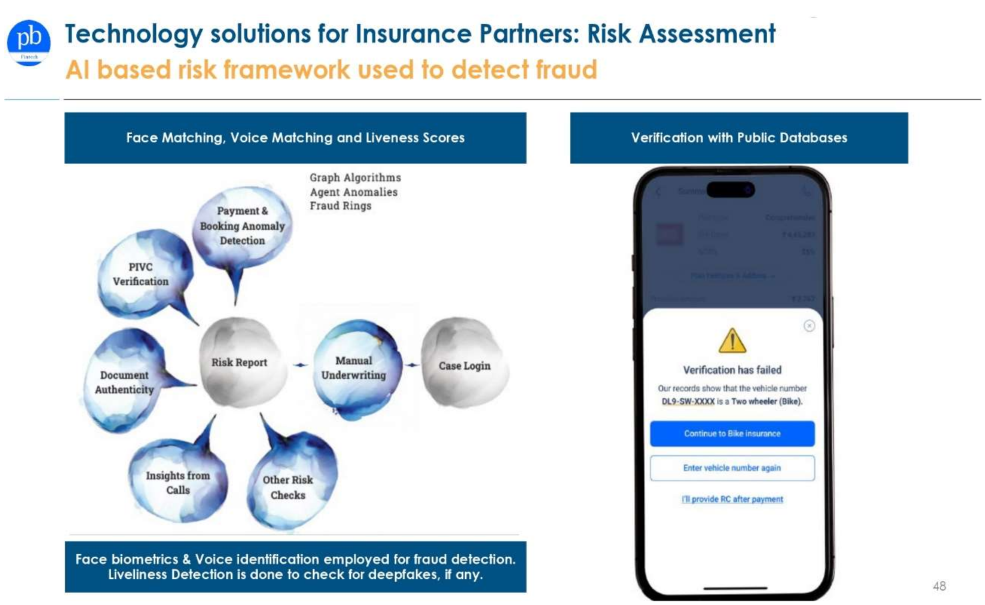


The PB Fintech use AI to decide if a customer is low risk or high risk by collecting both obvious information (like website visits, calls, and transactions) and hidden clues (such as past claims and payment habits) to create a risk score; if the score is low, the process is fast, and if it's high, extra checks are done to catch fraud, helping companies offer fair prices, handle claims quickly, and build trust.



PB FintechAI helps companies detect deepfake fraud by analyzing facial movements and liveliness. The system checks various facial features like eye blinks, lip movement, eye gaze, and hand raises to ensure the person is real and not a fake or altered image. It uses deep learning to detect face stillness and track facial coordinates over multiple frames, preventing fraud in identity verification and online transactions.

The Company Generate almost 10-15% of its revenue from providing these outsourcing services to other insurance providers.

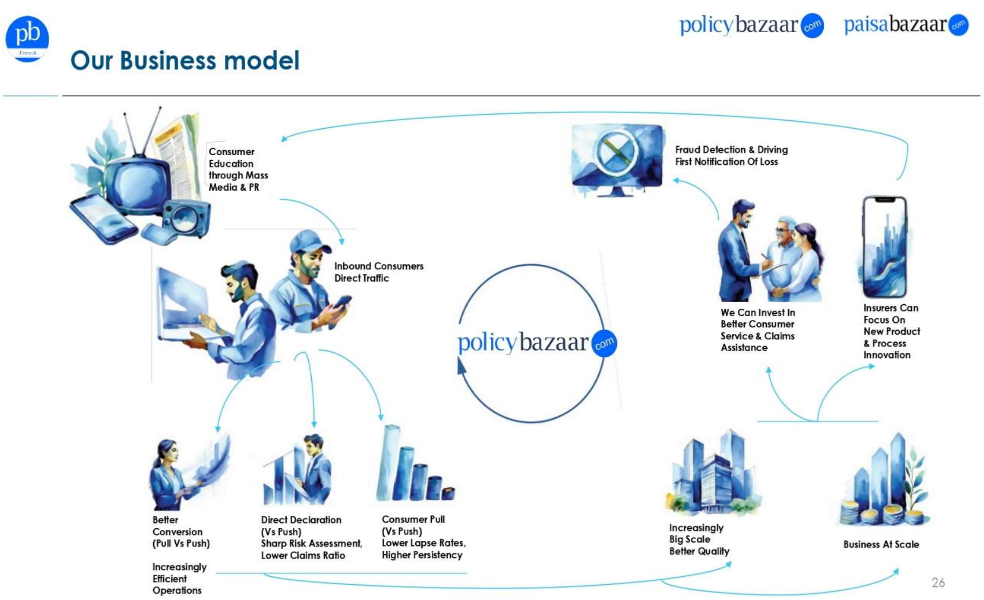


PB Fintech AI helps insurance companies detect fraud using face and voice matching, liveliness scores, and verification with public databases. The system checks for anomalies in payments, document authenticity, and risk reports to prevent fraud. It also detects deepfakes and ensures accurate identity verification. The phone screen example shows how incorrect information, like mismatched vehicle details, triggers a failed verification, preventing fraudulent claims.

PB Advantage for consumers & insurance partners

PolicyBazaar operates through a **consumer-centric digital approach**, starting with **consumer education via mass media and PR**, which drives **direct inbound consumer traffic** to its platform. This **pull-based model** ensures better conversion rates compared to traditional push marketing. Through **direct declarations**, the platform enables sharp **risk assessments** and **lower claims ratios**, leading to **higher persistency and reduced lapse rates**.

As a result, PolicyBazaar achieves **efficient operations at scale**, enhancing service quality and fraud detection. The company also **invests in better consumer service and claims assistance**, allowing insurers to **focus on new product and process innovations**. Ultimately, this model supports **business growth at scale**, improving both consumer experience and industry efficiency.



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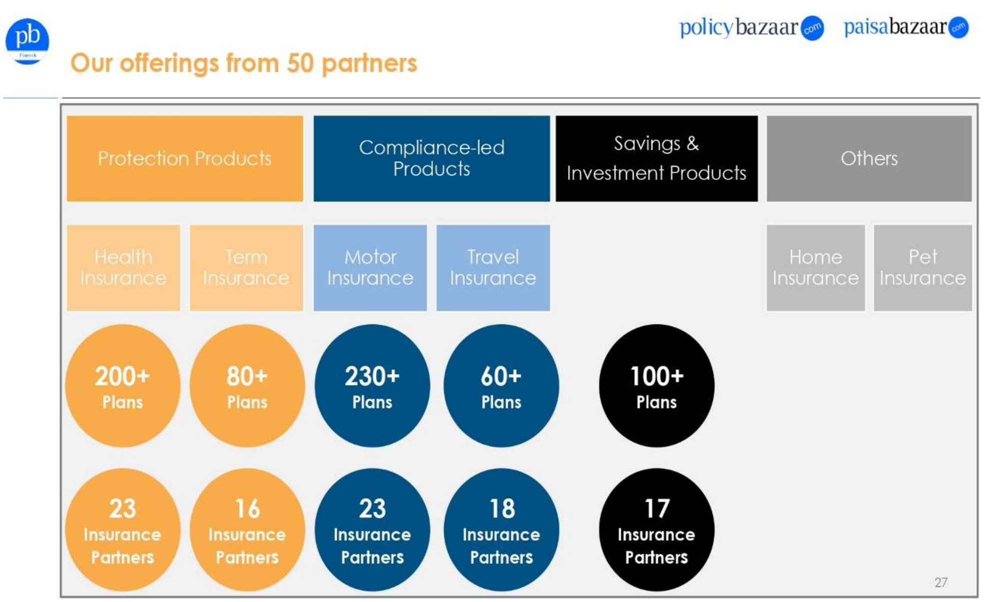
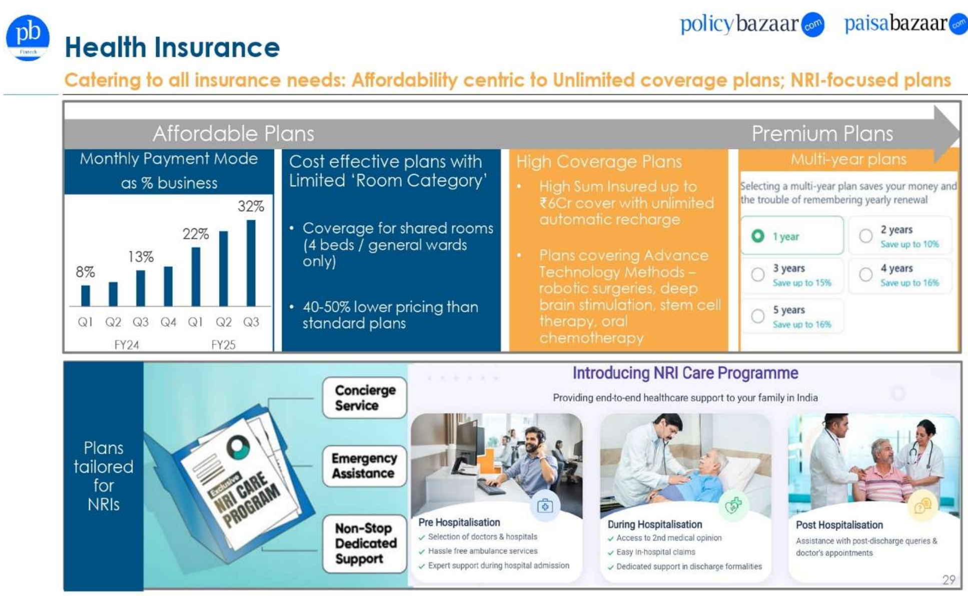


PolicyBazaar and PaisaBazaar offer a diverse range of insurance and investment products in collaboration with 50 partners. Their **Protection Products** category includes **Health Insurance** with over 200 plans from 23 insurance partners and **Term Insurance** with 80+ plans from 16 partners. Under **Compliance-led Products**, they provide **Motor Insurance** with 230+ plans from 23 partners and **Travel Insurance** with 60+ plans from 18 partners. Additionally, their **Savings & Investment Products** category features more than 100 plans from 17 insurance partners. The company also offers **Home Insurance** and **Pet Insurance** under the **Others** category. Notably, **Motor Insurance** has the highest number of plans available, while **Health and Motor Insurance** have the largest number of insurance partners, demonstrating a strong focus on essential coverage options.

Industry Analysis And Company Products (Health Insurance)



Regulatory Changes and Market Opportunities
Simplified Product Structures:
Recent regulatory reforms by the Insurance Regulatory and Development Authority of India (IRDAI) have led to the simplification of policy terms and conditions. Changes such as the introduction of long-term policies (up to three years) and standardized benefit packages are making health insurance more accessible and easier to understand.

Strategic Role of Third-Party Administrators (TPAs)
Enhanced Operational Efficiency:
TPAs are emerging as critical partners by handling claims processing, network management, and customer service functions. Their role is especially vital as the volume and complexity of claims increase—TPAs have achieved a premium servicing CAGR of approximately 18.5% in recent years, with projections of 24.81% growth over the next five years.

Cost Savings and Innovation:
Outsourcing to TPAs enables insurers to focus on their core competencies such as product innovation and risk management, while benefiting from the TPAs' expertise in streamlining administrative processes. This trend is likely to continue as insurers look for ways to reduce costs and enhance the customer experience.

Underdeveloped Healthcare Infrastructure:
Despite being one of the world's largest economies, India's healthcare system lags in key infrastructure metrics—for example, there are only about 1.3 hospital beds per 1,000 people compared to the WHO recommendation of 3. This underinvestment presents a dual challenge: while consumers continue to shoulder high out-of-pocket (OOP) costs (with OOP accounting for over 50% of healthcare expenditure in FY 2021), there is also an opportunity for health insurers to fill the financing gap.

Rising Disease Burden:
An increasing share of the population is experiencing non-communicable diseases (NCDs) and chronic conditions, driven partly by an aging demographic and lifestyle changes. This trend is boosting the need for comprehensive health coverage and long-term management plans.

Increasing Health Insurance Penetration:
Although government-sponsored schemes (e.g., Ayushman Bharat/PM-JAY) have significantly increased the number of insured lives, only about 15.2% of the population was covered under private health insurance in FY 2022. This indicates substantial untapped potential in the private and group policy segments.

Premium Growth and Product Evolution:
The overall premium serviced under health insurance has been growing at a CAGR of around 19.17%. Notably, group policies—especially those offered by corporates—are witnessing accelerated growth as more employers adopt group health plans and wellness benefits.

Rising Disease Burden:
An increasing share of the population is experiencing non-communicable diseases (NCDs) and chronic conditions, driven partly by an aging demographic and lifestyle changes. This trend is boosting the need for comprehensive health coverage and long-term management plans.

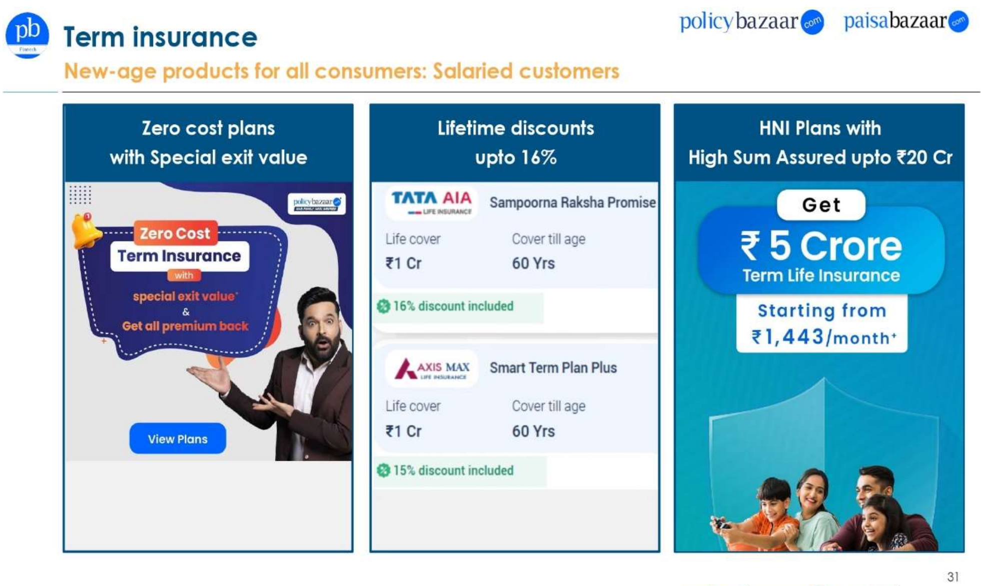
Impact of COVID-19:
The pandemic has acted as a catalyst by driving greater awareness about the importance of health coverage. It also pushed insurers to innovate rapidly (e.g., expanding digital channels and streamlining claims processes), which in turn has contributed to higher insurance penetration and premium inflation.

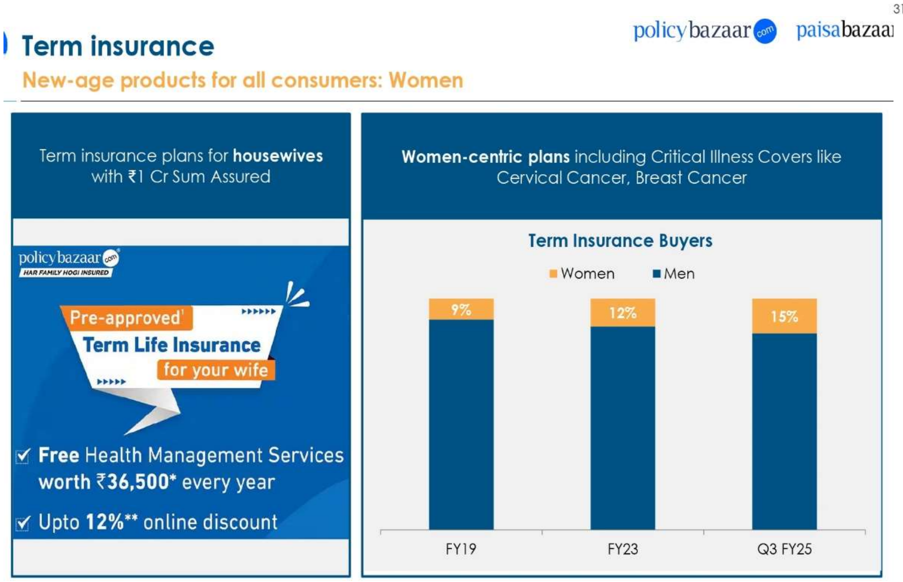
Rise of Digital-First Insurers:
A growing number of insurers are building their business models around digital processes—from online policy comparisons and purchases to AI-driven customer support. This shift not only improves operational efficiency but also enhances the overall customer experience by reducing turnaround times and improving transparency.

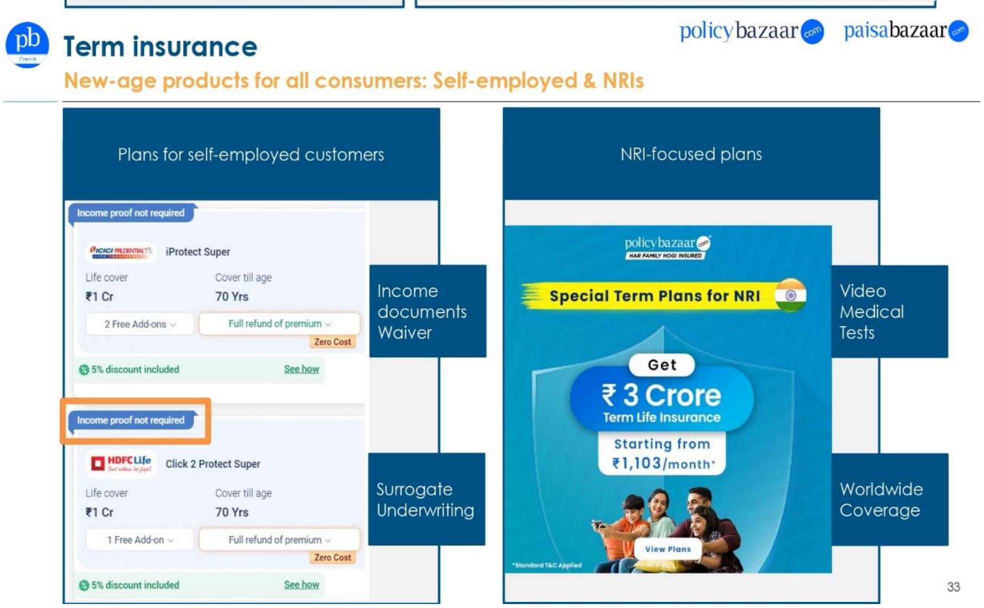
Data Analytics and Personalized Offerings:
With greater digital penetration, insurers can leverage high-quality data for risk profiling, tailored pricing, and personalized product offerings. This ability to customize policies based on an individual's medical history, lifestyle, and demographic factors is becoming a key competitive differentiator.

Technology-Enabled Ecosystem:
Digital initiatives such as Digi Locker, ABHA (Ayushman Bharat Health Accounts), and the soon-to-be-launched Bima Sugam marketplace are creating a more integrated and transparent health insurance ecosystem. These platforms facilitate easier document sharing, policy management, and claims processing.

Industry Analysis And Company Products (Life Insurance)







Dominance of Life Insurance:
While the global insurance market shows a split between life and non-life products, India's market is uniquely skewed—life insurance accounts for a significant portion (with India's life insurance share reported at around 76.14% versus non-life at 23.86%). This indicates a strong consumer preference for products that offer long-term financial protection, such as term insurance.

Shift in Consumer Behavior:
The pandemic has heightened awareness around financial planning and risk mitigation. As consumers seek affordable yet robust protection, term insurance—known for its cost-effectiveness and straightforward value proposition—has gained traction. This shift is supported by a steady rise in life insurance premiums, which grew faster in India (14.16% increase in 2021) compared to global averages.

Digital Transformation and Distribution:
Digital channels are reshaping how insurance products are marketed and sold in India. The report notes significant improvements in insurance distribution through direct channels, brokers, and banks. With growing internet penetration and increased use of digital platforms for policy purchase and claims processing, term/life insurers can reach a broader customer base more efficiently. The rapid growth in the broker segment is particularly notable, as unbiased advice and multi-channel comparisons are increasingly valued by consumers.

Within the life insurance segment, the key highlights that life insurance accounts for approximately 76.14% of the market share (versus 23.86% for non-life). Given that term insurance is often positioned as a low-cost, pure risk solution, its share is embedded within the overall life insurance figure—making it a critical driver of growth.

Direct Channels & Tied Agents: Traditional tied agents and branch networks remain strong contributors, given their deep-rooted presence and customer trust, particularly in rural and semi-urban areas, open doors for policy bazar to acquire more clients from rural and urban areas.

Digital Transformation and Consumer Preferences:
The increased penetration of digital platforms is facilitating easier access to insurance products, simplifying policy comparisons, and enabling online underwriting. This trend supports the growth of term insurance by reaching younger, tech-savvy consumers and enhancing operational efficiencies.

Regulatory Developments:
Evolving regulatory frameworks are pushing for standardized product offerings and enhanced consumer protection. While this increases compliance costs, it also elevates market credibility and consumer trust—benefiting reputable term/life insurers.

Future Market Opportunities:
The underpenetrated market (with penetration at only 4.2%) and rising insurance density signal vast potential. As financial literacy and digital adoption improve, term insurance products are well-positioned to capture a larger share of an evolving and expanding customer base in India.

Industry Analysis And Company Future Outlook

India's growing middle class is fueling a surge in digital consumption. Household incomes are projected to double from $2,500 to $5,500 by 2030, a development expected to significantly boost consumer spending on digital services. Access to digital tools and services has improved markedly, with high-speed internet penetration at 54.2% and smartphone penetration reportedly reaching 73.2% nationwide. Mobile technology and connectivity have surged, and this growth is anticipated to continue, particularly in rural regions.

The Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (PMJAY) was launched by the Indian government in 2018 to boost health insurance penetration. Recognized as the world's largest health assurance scheme, PMJAY offers coverage of up to ₹500,000 to over 100 million vulnerable families. By April 2021, the scheme had covered more than 16.5 million hospitalizations, with cumulative claims exceeding ₹31 billion.

The Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) was introduced in 2015 to provide protection and financial security to the poor and underprivileged in the event of a family member's loss. The scheme offers term life insurance coverage of ₹200,000 to individuals aged 18 to 50 who hold a savings account, at an annual premium of just ₹330.

The insurance market in India is projected to reach **USD 222 billion by 2026**. Additionally, life insurance premiums are expected to hit astronomical figures (e.g., Rs. 24 lakh crore by FY31), indicating a rapidly expanding revenue pool.

Life insurance premiums are expected to hit **Rs. 24 lakh crore (approx. US$318 billion) by FY31**, indicating a vast revenue pool.

The non-life segment saw a year-over-year premium income increase of **19.5%**, reaching **Rs. 1,14,972 crore (US$13.8 billion)** in FY24.

Despite the large market, current insurance penetration remains low—only around **4% of GDP** as of FY23. This low base means there is substantial untapped potential, which digital platforms can help unlock by reaching new customers.

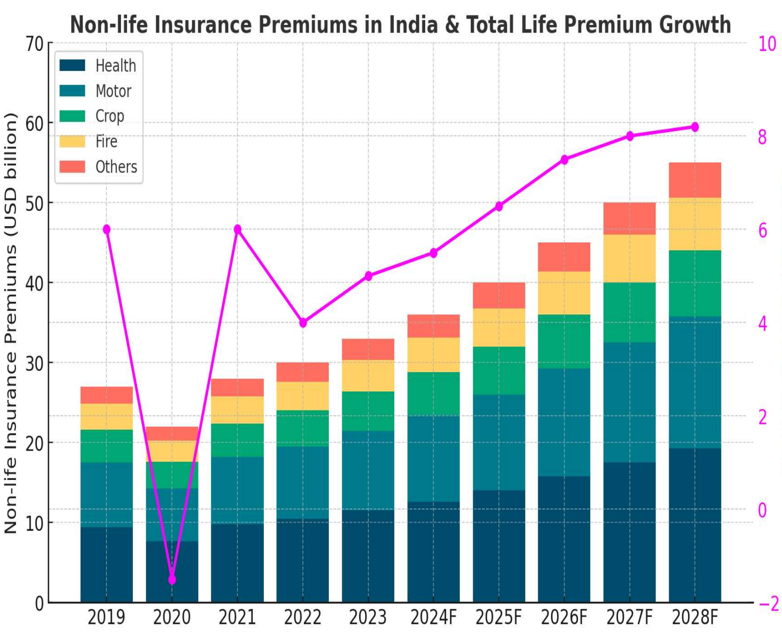
With **smartphone penetration at 73.2%** and **high-speed internet access at 54.2%**, even in rural areas, India is experiencing a digital revolution. This environment is ripe for online platforms that offer insurance products, enabling PB Fin Tech to reach a broad audience.

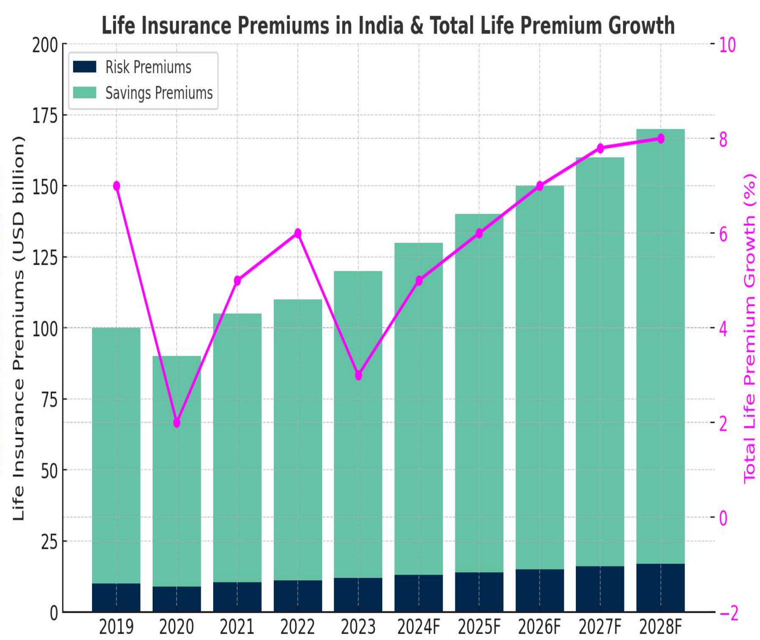
The report highlights the increasing adoption of **Robotic Process Automation (RPA)**, **Artificial Intelligence (AI)**, and the launch of specialized insurance apps. These technologies streamline operations, reduce costs, and improve customer service, all of which can lead to higher margins and improved earnings.

The progressive relaxation of FDI norms—from 26% to 74% (with potential further increases)—and other regulatory reforms make the insurance sector more attractive. This regulatory backing can lead to increased investments and better growth prospects for fintech players.

Digital Disintermediation: 1.By enabling direct customer engagement (e.g., through apps and online aggregators), platforms can bypass traditional intermediaries. 2.This reduces overheads and creates a more streamlined, cost-effective distribution model.

Shift Towards Non-Linked and Customized Products: 1. There's a notable shift from linked to non-linked insurance plans, reflecting evolving consumer preferences for more transparent and customized products. 2. Digital platforms that offer tailored recommendations are well-positioned to capture this shift and drive higher earnings.





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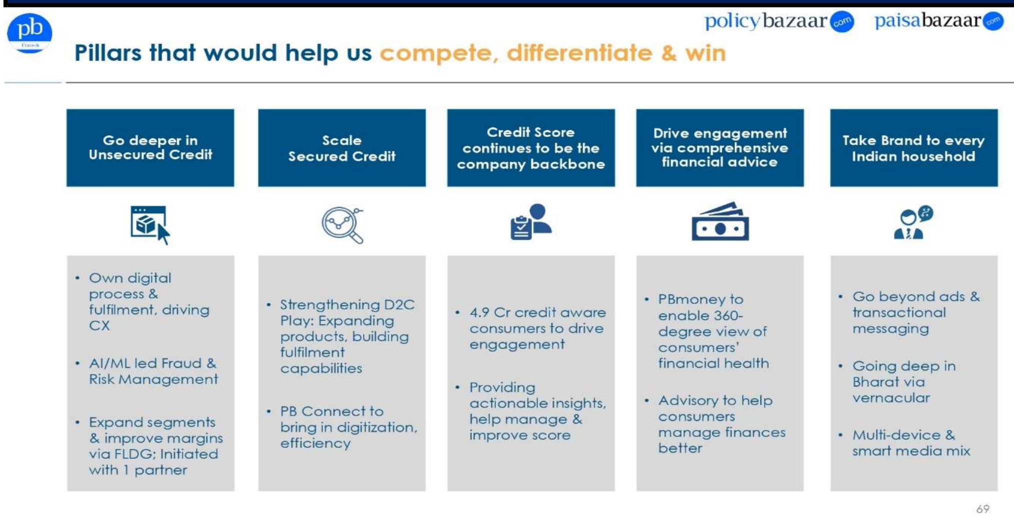
Paisa Bazar Overview



- Paisabazaar operates within a dynamically evolving credit market that presents both opportunities and challenges. The unsecured lending space—comprising credit cards, BNPL, and other similar products—has experienced rapid growth, with a three-year compound annual growth rate (CAGR) of approximately **31%** for unsecured credit and a robust **65%** for credit cards. However, recent regulatory and policy interventions aimed at curbing excessive growth have introduced a moderation effect in the unsecured segment. Conversely, the secured credit market remains a significant growth avenue, with annualized disbursals reaching around **₹19 lakh crore**, representing nearly **60%** of the total addressable market.This divergence offers a strategic pivot point for Paisabazaar to rebalance its portfolio by reinforcing its presence in secured credit products, such as home loans and loans against assets, which traditionally have lower risk profiles and promise more sustainable growth over the long term.

- In an effort to expand beyond its core credit comparison model, Paisabazaar is actively diversifying its product suite with initiatives such as **PBmoney**—a comprehensive Personal Financial Management (PFM) tool. This innovative offering integrates various financial elements including bank accounts, mutual funds, stocks, GST, and insurance into a unified platform, enabling consumers to track, manage, and optimize their overall financial health. By providing actionable insights on income, expenditure, and investment decisions, PBmoney is set to deepen consumer engagement while driving cross-selling opportunities. This holistic approach not only positions Paisabazaar as a full-service financial advisory platform but also creates additional revenue streams that are less cyclical compared to the core credit services, thereby enhancing the company's long-term value proposition.

- Looking ahead, Paisabazaar has laid out an ambitious brand roadmap targeting FY29, which is integral to its long-term growth strategy. The company is planning a multi-channel, region-specific marketing strategy that spans OTT, Connected TV, print, and digital platforms to drive deeper consumer engagement and brand recall. Campaigns such as "Loan/Card - Lene Ka Sahi Tareeka" and "Credit Score Check - Aadat Achhi Hai" are designed to educate consumers and promote financial literacy, thereby reinforcing the brand's commitment to transparency and consumer empowerment. This strategic emphasis on building brand love and penetrating every household in India is expected to further solidify Paisabazaar's position as the market leader in the digital credit space. For equity analysts, these initiatives signal a robust long-term investment in customer acquisition and retention, enhancing the company's competitive moat.

- In today's increasingly regulated environment, Paisabazaar's proactive approach to risk management is a material strength. The company has implemented a multi-layered, AI-driven fraud detection framework that integrates real-time behavioral analytics, sentiment analysis, and voice-to-text conversion. This sophisticated system evaluates parameters such as time spent on a page, re-attempt rates, device metadata, and IP tracking to generate weighted fraud risk scores. By collaborating with ecosystem partners and leveraging best practices, Paisabazaar not only safeguards its operations but also enhances the reliability of its data for financial institutions. This emphasis on responsible lending and risk mitigation is particularly significant given the tightening policies around unsecured credit and the need for sustainable growth practices. For investors, this robust compliance framework reduces downside risk and underscores the company's commitment to long-term operational stability.

- Paisabazaar's digital platform continues to demonstrate impressive consumer traction and scalability. With **4.9 crore registered credit score consumers**, the platform boasts a remarkable digital footprint. The pace of acquisition is striking—on average, a new consumer is added every **4.5 seconds**. This rapid expansion is underscored by the platform's performance in recent quarters, where **16 lakh new credit score consumers** were onboarded in Q3 FY25 alone. Additionally, the platform records **57 lakh quarterly enquiries** related to credit products and processes **17 lakh transactions** (annualized run rate), illustrating not only the depth of user engagement but also the strong trust placed in its digital offerings. This extensive data is critical when evaluating the stickiness of the platform and its ability to serve as a central hub for credit-related consumer activities.

- The financial metrics of Paisabazaar's shows solid performance in driving credit product activity. During the quarter ended December 2024, the platform facilitated the issuance of around **5 lakh credit cards** (annualized), while loan disbursals reached an annualized value of **₹21,700 crore**. These figures are indicative of the platform's substantial contribution to the broader credit ecosystem. The high volume of credit-related transactions, combined with a significant number of credit enquiries (approximately 57 lakh per quarter), supports a business model that directly converts consumer interest into tangible financial outcomes. these numbers not only validate the platform's revenue potential but also suggest that Paisabazaar is effectively positioned as an intermediary between consumers and a wide array of financial institutions.

- A key driver behind Paisabazaar's operational efficiency is its aggressive deployment of advanced technologies. The platform leverages a proprietary **SmartMatch algorithm** to provide personalized, transparent, and unbiased credit product recommendations, significantly enhancing consumer decision-making. Furthermore, the introduction of the **Digi Agent**—an AI-powered virtual assistant—has transformed customer service operations. This tool delivers a **250% productivity improvement** over traditional human agents by handling more than **5 lakh calls per day** across multiple languages, thereby reducing cost per unit revenue by 30% and virtually eliminating miss-sell incidents. The Digi Agent's roadmap also includes expanding its multilingual capabilities (currently supporting Hindi, English, and Hinglish, with plans to incorporate Tamil, Telugu, Marathi, and Kannada by March 2026), ensuring broader accessibility and a superior customer experience. These technological advancements underscore Paisabazaar's commitment to operational excellence and risk mitigation through AI/ML-driven fraud detection and compliance monitoring systems.

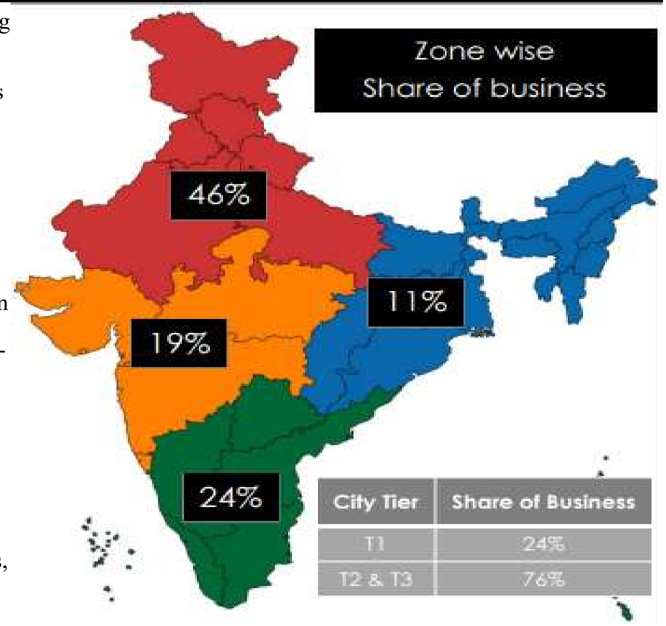
PB Partners and Business

- PB Partners has established itself as a leader in the insurance distribution space by leveraging a technology-driven platform that connects independent sellers to a broad spectrum of insurance and financial products. The platform's impressive coverage—present in 18.9k out of 19.1k Indian pin codes, which translates to nearly 99% market penetration—demonstrates an expansive geographic footprint. Notably, the fact that Tier 2 and Tier 3 cities contribute 76% of its business underscores the company's successful reach into emerging and underpenetrated markets. This diversified geographic presence reduces dependency on metropolitan areas and enhances revenue stability, positioning the company well to capture growth opportunities across different economic segments in India.

- A significant competitive advantage of PB Partners is its creation of a win-win ecosystem that benefits all stakeholders—insurer partners, seller agents, and end consumers. Insurer partners enjoy streamlined interactions by dealing with a single, centralized entity rather than multiple agents, which simplifies billing, servicing, and payment processes. For seller partners, the platform offers access to a vast network, higher earning potential through cross-selling opportunities, and advanced digital tools that facilitate quick policy issuance and lifecycle management. Consumers benefit from personalized offerings and efficient post-purchase services. This holistic ecosystem not only improves operational efficiency but also reinforces loyalty and trust across the value chain, which is critical for sustaining long-term market leadership and achieving scalable growth.

- PB Partners distinguishes itself by pioneering first-in-industry tech initiatives that significantly enhance both operational efficiency and customer experience. The platform's digital innovations include self-service features for endorsements, cancellations, and refunds, which simplify consumer lifecycle management. Additionally, the company's mobile app and web interfaces facilitate quick policy issuance and streamlined motor renewals (such as one-click payments), thereby reducing turnaround times and cost-to-serve. These technological advancements are crucial in a competitive landscape where speed, accuracy, and ease-of-use drive customer satisfaction and partner productivity. For an equity research analyst, these capabilities indicate that the company is well-positioned to benefit from lower operational costs and improved margins as it scales.

- A standout element of PB Partners' operational strategy is the implementation of a tech-based Secondary Virtual Relationship Manager (SVRM) that provides round-the-clock support to seller partners. This initiative addresses critical operational areas such as payout queries, pre-inspections, endorsement assistance, quotation management, KYC support, and claims resolution. By offering 24/7 assistance, PB Partners ensures that its seller network can operate efficiently without interruption, thereby reducing friction and improving the overall sales process. For investors and analysts, the SVRM represents a meaningful investment in technology and partner support that could lead to enhanced partner retention, smoother operations, and ultimately, stronger revenue performance.



- Recognizing that a well-trained partner network is essential for sustained growth, PB Partners has made significant investments in upskilling its seller agents through a variety of structured programs. Initiatives such as Aarambh, Saksham, Paathshala, and Gurukul, along with the development of detailed agency handbooks and high-engagement events like Ignition, are designed to enhance product knowledge, process adherence, and sales capabilities. These training programs are delivered through both virtual platforms and physical experience centers across the country, ensuring consistent and high-quality education for all partners. This proactive approach to human capital development not only drives operational consistency and increased sales efficiency but also helps build a resilient competitive moat that is difficult for rivals to replicate.

PB Fintech UAE Operations- update

- PB Fintech's UAE operations have experienced remarkable growth since their inception in FY19. The document highlights that the insurance premium has grown "10x times" over the period, culminating in a current Annual Recurring Revenue (ARR) of approximately ₹1,222 Cr*. This dramatic expansion signals strong market acceptance and effective execution of its go-to-market strategy. For an equity research analyst, this exponential growth is a critical indicator of scalability and operational efficiency. It suggests that the company has not only been successful in penetrating the market but has also built a robust business model that leverages digital platforms and innovative distribution methods to rapidly capture premium inflows. The growth trajectory also reflects a potential leadership position within the UAE insurance market, which could translate into sustained revenue expansion and improved market share over time.

- A core component of PB Fintech's strategy is its concentrated focus on protection against death, disease, and disability, with a particular emphasis on health and life insurance. The platform has been designed to address the evolving needs of consumers by co-creating products that are specifically tailored for Non-Resident Indians (NRIs). Key differentiators include: **1.Cross-Border Coverage:** Policies provide coverage in both the UAE and India, catering to the unique needs of NRIs. **2.Enhanced Benefits:** Features such as cashless claims for AED 1 Million across both geographies, free annual health check-ups, auto recharge of policies, and a no claim bonus significantly enhance the customer value proposition. **3.Policy Portability:** The ability to port the policy in India without any waiting period offers additional flexibility and convenience.

- Beyond its core insurance offerings, PB Fintech's platform extends to a broad array of financial services including personal, mortgage, and car loans, credit cards, and bank accounts. This diversification strategy is material because it creates a comprehensive digital ecosystem, facilitating cross-selling opportunities and enhancing customer stickiness. By offering multiple financial products on a single platform, the company is well-positioned to capture additional wallet share from existing customers, thereby mitigating risks associated with over-reliance on a single revenue stream. For an equity research analyst, this integrated approach can be seen as a key growth driver, potentially leading to increased customer lifetime value and more stable long-term revenues.

- The document underscores PB Fintech's commitment to leveraging advanced technology for fraud prevention and operational excellence. Utilizing real-time transaction monitoring, sophisticated risk assessment tools, and ensuring regulatory compliance are critical components of their operational framework. These capabilities not only safeguard the company and its partners against fraudulent activities but also contribute to lowering loss ratios and enhancing overall efficiency in claims processing. From an analyst's perspective, such technological investments are material as they reduce operational risks and costs, improve the customer experience, and fortify the company's reputation in a sector where trust and reliability are paramount.

Management Earning Call

- **Robust Premium and Revenue Growth:**
  PB Fintech reported a total insurance premium of approximately ₹6,135 Cr for the quarter—a 44% year-on-year increase. Core insurance premiums grew by 42%, while core insurance revenue surged by 45%. Overall revenue climbed by 48% to ₹1,292 Cr. This strong performance underscores the company's ability to drive top-line growth through its diversified insurance offerings.

- **Significant Profitability Improvement:**
  The company's profit after tax (PAT) nearly doubled, rising by 92% to ₹72 Cr in the quarter. This impressive increase, alongside improvements in contribution margins, highlights the effectiveness of PB Fintech's operational strategies and its focus on transitioning toward more profitable products and services.

- **Renewal ARR as a Key Profitability Driver:**
  A standout metric is the company's renewal Annual Recurring Revenue (ARR), which grew from ₹287 Cr two years ago to ₹454 Cr last year, and now stands at ₹665 Cr. This consistent doubling every two years reinforces the long-term profitability narrative and the critical role of renewals in stabilizing and enhancing margins.

- **Health and Life Insurance Outperformance:**
  The health and life insurance segments drove substantial growth, with new premiums in these lines increasing by 47% YoY. Health insurance alone grew nearly 60%, while term insurance also performed robustly. This suggests that the core value proposition remains firmly anchored in these segments, which are expected to generate long-term value.

- **Credit Business Dynamics – A Tale of Two Segments:**
  In the credit business, overall performance was down 20% YoY, with a sequential drop of 13%. Notably, secured lending disbursals now exceed those of unsecured lending by a factor of 1.4. Although unsecured credit is experiencing a temporary downturn, the secured segment is emerging as a key growth driver with lower revenue per disbursal but higher volume.

- **New Initiatives Show Rapid Growth:**
  New initiatives, including PB Connect and other digital platforms, experienced an 87% growth rate during the quarter. The adjusted EBITDA margin in this segment improved from –13% to –7%, and the contribution margin turned positive at 3%. This rapid growth underlines the success of the company's innovation and diversification strategies.

- **Expansion of the Advisor Network:**
  PB Fintech's agent aggregator platform, PB Partners, expanded its network to 270,000 advisors from 250,000 in the previous quarter. With coverage across 18.9K PIN codes (99% of India's PIN codes), this robust distribution network is critical for sustaining premium growth and market penetration.

- **UAE Business Performance on an Upward Trajectory:**
  The UAE insurance segment is aligning with the domestic business model, particularly in health and life insurance. With a YoY premium growth of 58%, this region is becoming increasingly important for the company, offering a diversified revenue stream outside India.

- **Health Insurance – Fresh Business Versus Renewals:**
  Fresh health insurance business is noted to be margin-negative or at break-even in the first year, reflecting the inherent cost structure of such products. However, the long-term value is secured through high renewal rates. The business model is designed to absorb initial losses in favor of generating significant future profitability as policies renew.

- **Secured vs. Unsecured Lending – A Strategic Pivot:**
  While the unsecured lending business is facing headwinds, the secured lending segment is expanding rapidly. Secured products, although generating lower revenue per disbursal, are now the dominant contributor to disbursal volumes. This shift is expected to stabilize the credit business over the medium term as overall market conditions improve.

- **Long-Term Growth Guidance and Margin Potential:**
  Management reiterated a target of approximately 30% growth for the core business. They also hinted that, as the business matures, contribution margins could improve by an additional 10 percentage points over time. This outlook is supported by strategic investments in high-growth areas and operational efficiencies that will likely translate into improved profitability.

- **Leveraging Technology and AI for Operational Efficiency:**
  PB Fintech is investing heavily in technology, including artificial intelligence, to streamline customer onboarding and claims support. Innovations such as the Garage network, which partners with 100 different garages for motor insurance, are improving service quality and operational efficiency, ultimately contributing to higher sales and better customer satisfaction.

- **Cost Efficiency and Office Rationalization Initiatives:**
  In response to overcapacity, the company is actively rationalizing its physical office footprint. Vacant seats and excess office space are being decommissioned, with cost savings expected to materialize from April onwards. This initiative is part of a broader strategy to align fixed costs with revenue growth.

Management Earning Call

- **Margin Performance in the Credit Segment:**
  The core credit business reported a contribution margin of approximately 45% and an EBITDA margin of around 9%. These figures suggest that, despite challenges in unsecured lending, the credit business remains highly efficient and contributes positively to the overall profitability profile of the company.

- **Evolving POSP and Digital Distribution Models:**
  The transition toward a POSP (Point of Sale Person) model within the digital framework is a strategic focus. PB Connect, part of the new initiatives, contributed modestly (₹24 Cr in revenue) during the quarter. Although margins in this channel are currently low, the business is expected to benefit from scale and efficiency improvements as it matures.

- **Competitive Positioning in Insurance Distribution:**
  Management emphasized that PB Fintech is not “commission-hungry” despite significant increases in premium volume. Maintaining stable commission rates—even as the company’s scale grows—demonstrates its commitment to customer value over short-term commission earnings. This strategic stance is likely to bolster long-term industry relationships and market share.

- **Persistency and High Renewal Rates in Health Insurance:**
  Improved persistency in health insurance renewals was highlighted as a major achievement. The introduction of modular products with features like an increasing no-claim bonus helps lock in customers and reduce lapse rates. Record-high renewal rates in December reflect the company’s success in building long-term customer relationships.

- **New Customer Acquisition Continues at Scale:**
  Despite a relative drop in disbursal ratios to existing customers, the company maintains robust new customer acquisition levels, averaging around 5.5 lakh new customers per month. This consistent inflow of new customers is critical in sustaining growth momentum across both the insurance and credit segments.

- **Aggressive Digital and Performance Marketing Strategy:**
  PB Fintech’s digital marketing approach is highly competitive. While the company leverages its strong brand to reduce reliance on paid channels, it continues to aggressively bid on performance marketing platforms such as Google. This strategy ensures that no potential lead is left unconverted, reinforcing its market leadership.

- **Effective Fixed Cost Leverage and Margin Expansion:**
  Despite significant increases in marketing and operational expenses, the company has demonstrated strong fixed cost leverage. As revenue grows at 45% year-on-year while fixed costs increase at a lower rate, operating margins are expected to improve. This cost structure is a key driver for sustainable margin expansion in future quarters.

- **Commitment to Long-Term Strategic Growth:**
  The management’s focus remains on long-term growth rather than short-term profit fluctuations. Investments in technology, capacity building, and market expansion are designed to build scale and long-term shareholder value—even if they result in temporary margin pressures. This long-horizon perspective is central to the company’s strategic vision.

- **Navigating Regulatory Changes in the Insurance Industry:**
  The earnings call touched on evolving regulatory requirements, such as changes in commission structures (including the 1/n formula) and deferred commission arrangements. PB Fintech has maintained a consistent approach in this regard, ensuring compliance while focusing on premium growth. This balanced regulatory strategy supports both stability and competitiveness.

- **Enormous Market Opportunity in a Growing Industry:**
  Finally, management highlighted the vast untapped potential in the Indian insurance market. With only about 4 Cr people currently insured in health and a middle-class population of 30–40 Cr, there is significant room for expansion. This underscores the company’s ambition to capture a larger share of a rapidly growing market, positioning PB Fintech as a key long-term player in the industry.

policybazaar paisabazaar

Key Highlights: Q3 FY25

Total Insurance Premium is at ₹6,135 Cr, a growth of 44% YoY
Lending Disbursal is at ₹5,437 Cr, a growth of 52% YoY

Core online Insurance New Premium grew 44% YoY
Health & Life Insurance New Premium grew 47% YoY

Revenue grew 48% YoY to ₹1,292 Cr

PAT grew 92% YoY to ₹72 Cr

Cash increased to ₹5,473 Cr, adding about ₹211 Cr in this FY

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Overall business

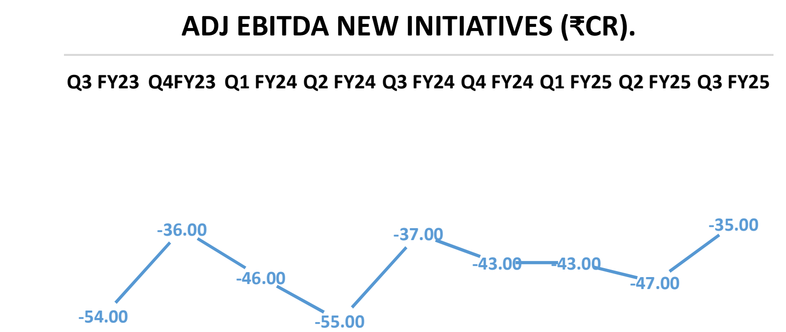
44% premium growth, Revenue growth at 48%, Improved margins

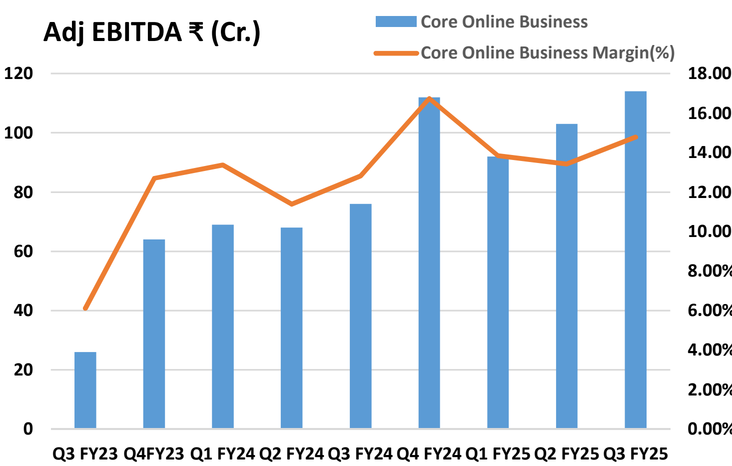
₹ Crores	Q3 FY24			Q3 FY25			YoY		
	Total	Core Online Business	New Initiatives	Total	Core Online Business	New Initiatives	Total	Core Online Business	New Initiatives
Premium	4,261	2,901	1,361	6,135	4,113	2,022	44%	42%	49%
Revenue	871	593	278	1,292	771	521	48%	30%	87%
Insurance		448			651			45%	
Credit		145			119			(18)%	
Contribution (non-GAAP)[#]	259	259	0	330	315	15	27%	21%	
Contribution %	30%	44%	0%	26%	41%	3%			
Adjusted EBITDA (non-GAAP)	39	76	(37)	79	114	(35)	102%	50%	-5%
Adj EBITDA %	4%	13%	(13)%	6%	15%	(7)%			

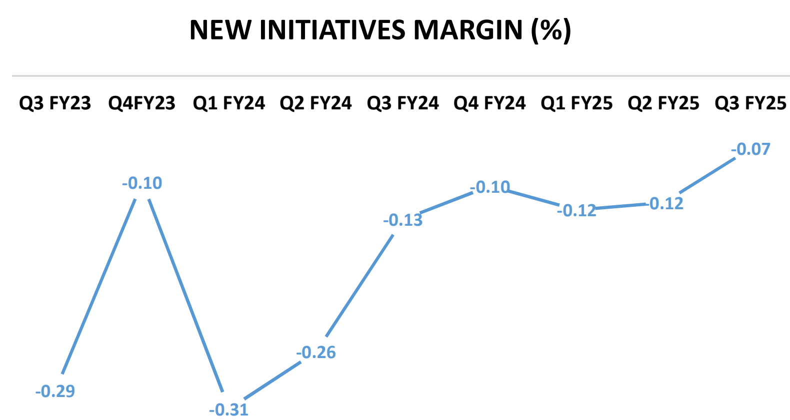
Source : Company

All values in Cr. Except %

Particulars	Q3 FY23	Q4FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25	Q3 FY25
CoreOnlineBusiness	425.00	504.00	516.00	597.00	593.00	669.00	665.00	767.00	771.00
NewInitiatives	185.00	365.00	149.00	215.00	278.00	421.00	346.00	400.00	521.00
Total Revenue	610.00	869.00	665.00	812.00	871.00	1090.00	1011.00	1167.00	1292.00
Adj EBITDA									
CoreOnlineBusiness	26.00	64.00	69.00	68.00	76.00	112.00	92.00	103.00	114.00
%Margin	6.12%	12.70%	13.37%	11.39%	12.82%	16.74%	13.83%	13.43%	14.79%
NewInitiatives	-54.00	-36.00	-46.00	-55.00	-37.00	-43.00	-43.00	-47.00	-35.00
% Margin	-29.19%	-9.86%	-30.87%	-25.58%	-13.31%	-10.21%	-12.43%	-11.75%	-6.72%
Total Revenue	-28.00	28.00	23.00	13.00	39.00	69.00	49.00	56.00	79.00
% Margin	-4.59%	3.22%	3.46%	1.60%	4.48%	6.33%	4.85%	4.80%	6.11%
PAT	-87.59	-9.34	-11.90	-21.10	37.23	60.19	59.98	50.98	71.54
% Margin	-14.36%	-1.07%	-1.79%	-2.60%	4.27%	5.52%	5.93%	4.37%	5.54%
Insurance Business									
Insurance Premium Cr	3028.00	3586.00	3006.87	3471.65	4260.41	5127.00	4871.00	5450.00	6135.00
Registered Consumers Mn	65.40	67.50	69.50	72.30	74.70	77.30	80.50	86.90	96.80
Transacting Consumers Mn	13.40	14.00	14.50	15.00	15.70	16.60	17.40	18.30	19.40
Policies Sold Mn	31.80	33.80	35.60	38.20	39.80	42.10	44.30	46.80	49.60
Renewal Rev On ARR Basis	286.00	334.00	340.00	345.00	359.00	476.00	457.00	516.00	538.00
Average policies per transacting consumer	2.37	2.41	2.46	2.55	2.54	2.54	2.55	2.56	2.56
Credit Business									
Disbursalse Cr	3021.00	3357.00	3542.00	4139.00	3580.00	3540.00	3140.00	4237.00	5437.00
Transacting Customers Mn	3.50	3.80	4.20	4.50	4.80	5.10	5.40	5.80	6.00
Transactions Mn	5.00	5.40	5.90	6.40	6.90	7.30	7.80	8.30	8.70
Consumers accessed their CS (Mn)	33.00	34.90	36.90	39.10	41.20	43.40	45.50	47.70	49.40
New consumers added (Mn)	0.20	0.18	0.20	0.22	0.21	0.21	0.22	0.22	0.16







Quaterly Update

Quarterly Update(Standalone)	Q3 2025	Q2 2025	Q3 2024	QoQ (%)	YoY (%)
					₹ In Cr.
Revenue From Operations	**38.89**	**37.63**	**27.14**	**3.35%**	**43.29%**
Cost of goods sold	**83.39**	**95.88**	**60.01**		
as % of sales	**214.43%**	**254.80%**	**221.11%**		
Gross Profit	**-44.50**	**-58.25**	**-32.87**	**-23.61%**	**35.38%**
SG&A	**1.91**	**2.25**	**2.43**		
as % of sales	**4.91%**	**5.98%**	**8.95%**		
Operating Profit	**-46.41**	**-60.50**	**-35.30**	**-23.29%**	**31.47%**
Depreciation	**0.82**	**0.81**	**0.75**		
EBIT	**-47.23**	**-61.31**	**-36.05**	**-22.97%**	**31.01%**
Other Income	**65.36**	**67.71**	**63.15**		
Interest Expense	**0.05**	**0.09**	**0.14**		
EBT	**18.08**	**6.31**	**26.96**	**186.53%**	**-32.94%**
Exceptional Item	**0**	**0**	**0**		
TAX	**4.11**	**0.92**	**0.00**		
PAT	**13.97**	**5.39**	**26.96**	**159.18%**	**-48.18%**
EPS	**0.3**	**0.12**	**0.59**		
Margins (%)					
EBIDTA	**-119.34%**	**-160.78%**	**-130.07%**	**4143.9 bps**	**1073 bps**
EBIT	**-121.45%**	**-162.93%**	**-132.83%**	**4148.3 bps**	**1138.5 bps**
EBT	**46.49%**	**16.77%**	**99.34%**	**2972.2 bps**	**-5284.7 bps**
PAT	**35.92%**	**14.32%**	**99.34%**	**2159.8 bps**	**-6341.5 bps**

Source : Company Annual Report

1.The company's "Revenue From Operations" is reported at 38.89 (units, e.g., crores) compared to 27.14 in the earlier period, reflecting a strong year-on-year growth of approximately 43.29% and a modest quarter-on-quarter increase of 3.35%. This solid top-line expansion underscores PB Fintech's ability to scale its business in a competitive market.

2.Despite a negative gross profit of –44.50, there is a reported improvement (a 35.38% change relative to the base period) compared to –32.87 in a past period. This suggests that although the cost structure remains a challenge, initiatives to control or reduce COGS may be beginning to take effect.

3.Earnings Before Interest and Taxes (EBIT) are reported at –47.23, mirroring the challenges seen in operating profit. However, the improvement trend (a reduction of losses by 22.97% compared to the base) is noteworthy and suggests that the company's cost-control measures are gradually taking effect.

4.Profit After Tax (PAT) is recorded at 13.97, which represents a 159.18% improvement compared to an earlier period's 5.39, despite the negative operating profit.

Quarterly Update(Consolidated)

₹ In Cr.

	Q3 2025	Q2 2025	Q3 2024	QoQ (%)	YoY (%)
Revenue From Operations	1,291.62	1,167.23	870.89	10.66%	48.31%
Cost of goods sold	813.79	819.79	640.32		
as % of sales	63.01%	70.23%	73.52%		
Gross Profit	477.83	347.44	230.57	37.53%	107.24%
SG&A	450.15	355.23	256.07		
as % of sales	34.85%	30.43%	29.40%		
Operating Profit	27.68	-7.79	-25.50	-455.33%	-208.55%
Depreciation	33.57	29.39	23.08		
EBIT	-5.89	-37.18	-48.58	-84.16%	-87.88%
Other Income	100.38	106	93.61		
Interest Expense	9.31	8.98	6.44		
Profit JV & Exception Items	85.18	59.84	38.59	42.35%	120.73%
(Profit)/loss from JV's/Ass/MI	-0.06	0.41	-1.36		
Exceptional Item	0.00	0.00	0.00		
EBT	85.12	60.25	37.23	41.28%	128.63%
TAX	13.58	9.27	0.00		
PAT	71.54	50.98	37.23	40.33%	92.16%
EPS	1.55	1.09	0.83		
Margins (%)					
EBIDTA	2.14%	-0.67%	-2.93%	281 bps	507.1 bps
EBIT	-0.46%	-3.19%	-5.58%	272.9 bps	512.2 bps
EBT	6.59%	5.13%	4.43%	146.8 bps	216.4 bps
PAT	5.54%	4.37%	4.27%	117.1 bps	126.4 bps

➢ **Strong Revenue Growth:**
Revenue from Operations reached 1,291.62 (vs. 870.89 previously), translating into a 48.31% year-on-year increase and 10.66% sequential growth.

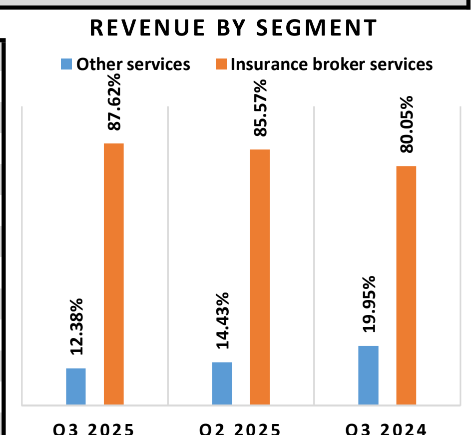
➢ **Improving Cost Efficiency:**
Cost of Goods Sold (COGS) declined to 63.01% of sales from 73.52% a year ago, signaling enhanced operational efficiency and better margin leverage.

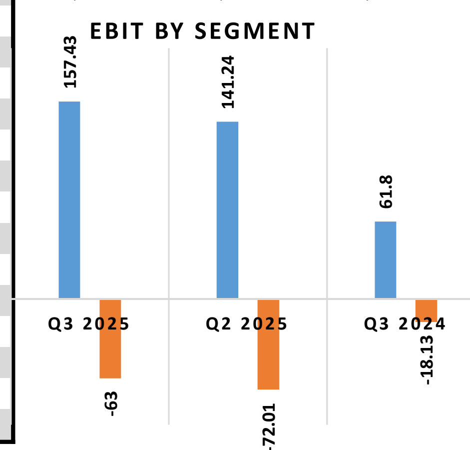
➢ **Operating Profit:**
Operating Profit swung to a positive 27.68 from a negative –25.50 in the prior year, underscoring effective cost controls and scaling benefits.

➢ **Margin Expansion at Multiple Levels:**
Gross margin expanded substantially, lifting Gross Profit to 477.83 (up from 230.57). EBIT margin improved from –5.58% to –0.46%. PAT margin rose to 5.54% from 4.27%, demonstrating a stronger bottom-line performance.

Segmental Wise Classification

	Q3 2025	Q2 2025	Q3 2024	QoQ (%)	YoY (%)
Revenue					
Insurance broker services	1131.75	998.76	697.16	13.32%	62.34%
Other services	159.87	168.47	173.73	-5.10%	-7.98%
Total Revenue	1291.62	1167.23	870.89	10.66%	48.31%
Segment results					
Insurance broker services	157.43	141.24	61.8	11.46%	154.74%
Other services	-63	-72.01	-18.13	-12.51%	247.49%
Prolit before finance costs and tax	94.43	69.23	43.67	36.40%	116.24%
Finance costs	9.31	8.98	6.44		
Profit before tax	85.12	60.25	37.23	41.28%	128.63%
Incomc tax expense	13.58	9.27	0		
Profit after tax	71.54	50.98	37.23	40.33%	92.16%
Operating Margins (%)					
Insurance broker services	13.91%	14.14%	8.86%	-23.1 bps	504.6 bps
Other services	-39.41%	-42.74%	-10.44%	333.6 bps	-2897.1 bps
PAT Margins (%)	5.54%	4.37%	4.27%	117.1 bps	126.4 bps
Segment assets					
Insurance broker services	3093.21	2944.93	2149.25	5.04%	43.92%
Other services	4265.99	4208.45	4404.97	1.37%	-3.16%
Total assets	7359.2	7153.38	6554.22	2.88%	12.28%
Segment liabilities					
Insurance broker services	760.99	710.23	503.39	7.15%	51.17%
Other services	359.71	330.31	295.4	8.90%	21.77%
Total liabilities	1120.7	1040.54	798.79	7.70%	40.30%





Financial Statement

Income Statement (Consolidated)

₹ In cr.	Year ending 31 march		
Particulars	**2022**	**2023**	**2024**
Revenue from operations	1424.89	2557.85	3437.68
Cost of goods sold	2189.51	2993.71	2657.91
Gross Profit	-764.62	-435.86	779.77
GP Margin (%)	**-53.66%**	**-17.04%**	**22.68%**
SG&A	137.72	225.74	966.03
Operating Profit	-902.33	-661.60	-186.26
Operating Profit Margin (%)	**-63.33%**	**-25.87%**	**-5.42%**
Depreciation	42.84	63.82	88.72
EBIT	-945.17	-725.42	-274.98
Interest	13.57	21.36	26.46
Other Income	125.39	258.99	380.57
JV	-0.04	-0.17	-2.02
Extra ordinary	0.00	0.00	0.00
EBT	-833.39	-487.96	77.11
TAX for The year	-0.48	-0.02	12.70
PAT	-833.87	-487.94	64.41
PAT Margin (%)	**-58.52%**	**-19.08%**	**1.87%**

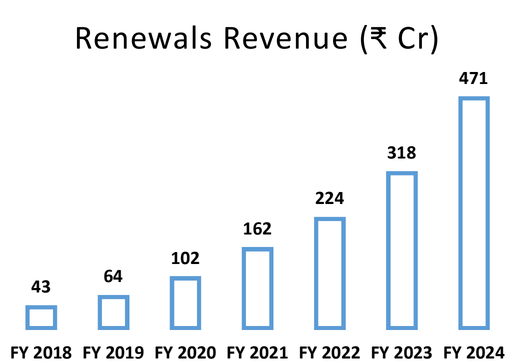
Cash Flow Statement (Consolidated)

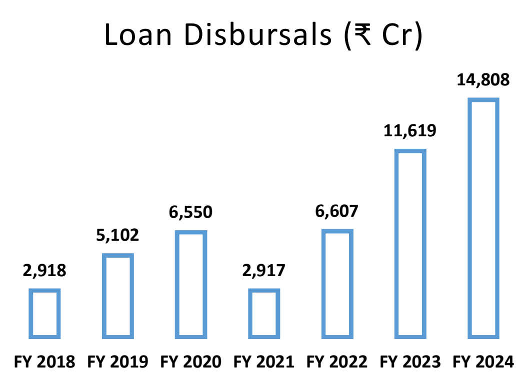
₹ In Cr.	Year ending 31 march		
Particulars	**2022**	**2023**	**2024**
Cash Flow From Operations			
OP CF before change in WC	-288.46	82.09	-114.99
Change in WC	-1,255.66	-134.13	48.48
Operating Cash Flow	-1,544.12	-52.04	-66.51
TAX	-23.76	-49.85	-199.03
Net Operating Cash flow	**-1,567.88**	**-101.89**	**-265.54**
Cash Flow From Investing Activities			
Net PPE	-220.87	-63.87	-63.19
Other CFI	-1905.735	105.28	364
Total CFI	**-2,126.61**	**41.41**	**300.81**
Cash Flow From Financing Activities			
Net lease/debt	-10.4308	-21.79	-31.18
Finance Cost	-13.4931	-20.83	-25.99
Dividend Paid	0	0	0
Change in Equity	3645.3401	0.12	0.34
Total CFF	**3621.4162**	**-42.5**	**-56.83**
Cash and cash equivalents	**367.40**	**269.42**	**50.67**

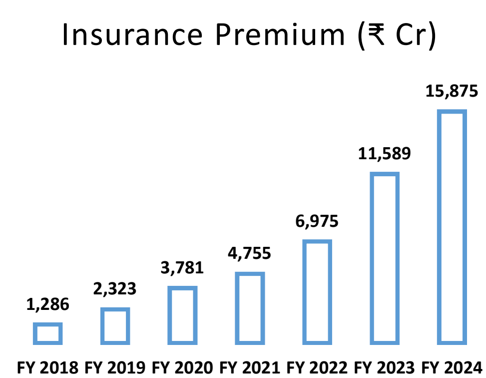
Balance Sheet (Consolidated)

₹ In cr.	Year ending 31 march		
Particulars	**2022**	**2023**	**2024**
PPE	180.12	269.78	315.36
Intangible Assets	24.78	43.51	43.26
DTA	79.23	128.94	315.77
Other non-current assets	0.21	2.04	0.36
Investments	59.61	1687.54	1231.30
Other non-current financial assets	0.00	0.00	0.00
Total non-current assets	**343.94**	**2131.81**	**1906.05**
Cash	3700.24	762.72	734.97
Account Receivables	360.87	677.31	650.52
Inventory	0.00	0.00	0.00
Current tax assets (Net)	0.00	0.00	0.00
Other financial assets	1128.36	2075.19	2957.41
Short-term Investments	327.98	567.72	428.91
Other current assets	54.10	39.28	50.65
Total Current Assets	**5571.54**	**4122.22**	**4822.46**
Total Assets	**5915.48**	**6254.03**	**6728.51**
Common Shares	89.90	90.02	90.24
Other Equity	5321.76	5386.28	5780.79
Total Equity	**5411.66**	**5476.30**	**5871.03**
Long Term Debt/Lease	141.49	193.75	214.08
Deferred tax liabilities (Net)	0.00	0.00	0.00
Other non-current financial liabilities	0.00	0.00	0.00
Other non-current liabilities	0.00	0.00	0.00
Provisions	24.94	24.56	34.79
Total non current liabilities	**166.44**	**218.31**	**248.87**
Provisions current	20.48	28.24	41.31
Trade Payables	198.19	306.10	301.06
Short term debt	17.87	32.84	39.25
Current tax liabilities (Net)	0.00	0.00	0.00
Other current liabilities	29.07	64.88	80.40
Other Financial Liabilities	71.79	118.86	141.15
Total Current Liabilities	**337.39**	**550.92**	**603.17**
Total Equity & Liabilities	**5915.48**	**6253.53**	**6723.07**

Source : Company Annual Report



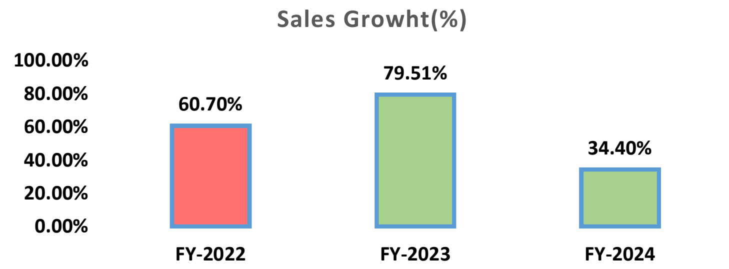


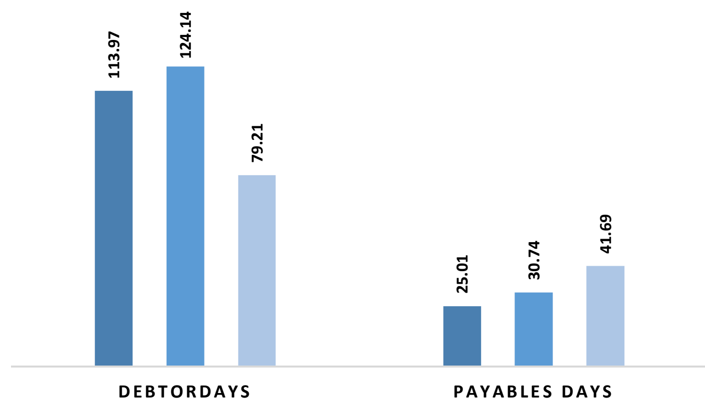


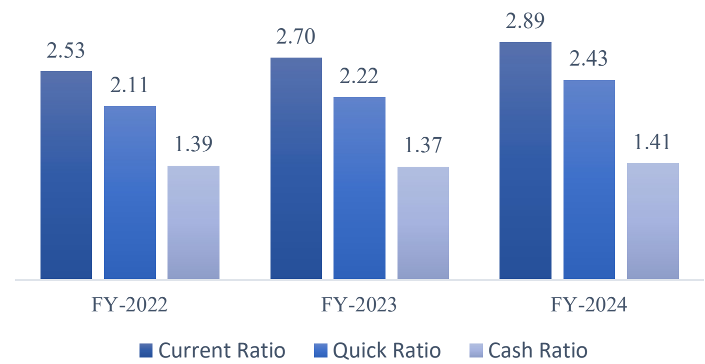
Ratios -Analysis

Particulars	FY-22	FY-23	FY-24
Profitability Ratios			
Sales Growth(%)	60.70%	79.51%	34.40%
Expenses Growht(%)	123.26%	36.73%	-11.22%
Gross Profit Growht(%)	713.22%	-43.00%	-278.90%
EBITDA Growht(%)	464.80%	-26.68%	-71.85%
EBIT Growth (%)	369.91%	-23.25%	-62.09%
Net Profit Growth (%)	524.22%	-41.49%	-113.20%
Gross Margin Growth	-4305.7 bps	3662.2 bps	3972.3 bps
Operating Margin Growth	-4530.8 bps	3746.1 bps	2044.7 bps
Net Margin Growth	-4345.6 bps	3944.6 bps	2095 bps
ROCE	-21.69%	-8.65%	1.09%
ROIC	-41.53%	-17.27%	-4.44%
ROE	-22.53%	-8.96%	1.13%
Efficiency Ratios			
Inventory Days	NA	NA	NA
DebtorDays	114	124	79
payables Days	25	31	42
Leverage Ratios			
Equity/Assets	0.91	0.88	0.87
Debt/EBITDA	-0.21	-0.56	1.30
Cash/Debt	32.36	15.03	16.27
Interest Coverage (Times)	-57.26	-18.85	7.34
Degree of Operating Leverage	8.71	-0.54	-3.57
Liquidity Ratios			
Current Ratio	16.51	7.48	8.00
Quick Ratio	16.51	7.48	8.00
Cash Ratio	15.44	6.25	6.92
Cash Ratios			
Operating C.F Growth (%)	-5561.89%	-93.50%	160.61%
CFO/EBITDA	-2.02	-0.25	-1.37
CFO/Total Assets	-0.38	-0.02	-0.04
CFO/Revenue	-1.10	-0.04	-0.08
CFO/PAT	-1.88	-0.21	-4.12
Valuation Ratios			
Enterprise Value	16282.23	34663.35	94202.41
EV/EBITDA	-20.96	-86.10	484.80
Price/Earnings	-22.04	-72.44	1453.79
Price/Sales	14.14	13.98	27.67
Price/CFO	-12.85	-351.04	-358.19
Price/Book Value	3.72	6.53	16.20
Liquidity Ratios			
P/E	-22.04	-72.44	1453.79
P/B	3.72	6.53	16.20
EV/EBITDA	-20.96	-86.10	484.80
P/S	14.14	13.98	27.67

Source : Fin2Research







Du'pont Analysis	FY-22	FY-23	FY-24
PAT/EBT	**100.06%**	**100.00%**	**83.53%**
EBT/EBIT	**92.36%**	**73.75%**	**-41.40%**
EBIT/Sales	**-63.33%**	**-25.87%**	**-5.42%**
Assets/Equity	**109.31%**	**114.20%**	**114.61%**
Sales/Assets	**34.56%**	**42.04%**	**52.96%**
ROE	**-22.11%**	**-9.16%**	**1.14%**

RATING SCALE: DEFINITION OF RATINGS

• BUY – We expect the stock to deliver more than 10%-20% returns over the next 9 months.
• ACCUMULATE – We expect the stock to deliver 5% - 12% returns over the next 9 months.
• REDUCE – We expect the stock to deliver 0% - 5% returns over the next 9 months.
• SELL – We expect the stock to deliver negative returns over the next 9 months.
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• NA – Not Available or Not Applicable. The information is not available for display or is not applicable.
• NM – Not Meaningful. The information is not meaningful and is therefore excluded.
• NOTE – Our target prices are with a 9-month perspective. Returns stated in the rating scale are our internal benchmark.

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