

Zaggle Prepaid Ocean Services Limited**Excellent Q2FY24 financial performance****Revenues & Adjusted EBITDA grew (YoY) by 41% and 79%, respectively**

Tuesday, November 07, 2023, Hyderabad – Zaggle Prepaid Ocean Services Limited, a SaaS fintech player which provides spend management products and solutions, has announced its unaudited Financial Results for the quarter ended September 30, 2023.

(₹ Million, unless stated otherwise)	Q2FY24	Q2FY23	YoY	Q1FY24	QoQ	H1FY24	H1FY23	YoY
Revenue from operations	1,842.42	1,303.35	41.4%	1,184.79	55.5%	3,027.21	2,189.58	38.3%
Adjusted EBITDA	217.47	121.72	78.7%	138.00	57.6%	355.47	230.00	54.6%
Adjusted EBITDA Margin	11.80%	9.34%		11.65%		11.74%	10.50%	
ESOP Cost	67.19	0.00		58.44		125.63	0.00	
Reported EBITDA	150.28	121.72	23.5%	79.56	88.9%	229.84	230.00	-0.1%
Reported EBITDA Margin	8.16%	9.34%		6.72%		7.59%	10.50%	
Profit After Tax	75.85	75.47	0.5%	20.55	269.1%	96.40	138.47	-30.4%
PAT Margin	4.1%	5.8%		1.7%		3.2%	6.3%	
Cash PAT	167.07	85.90	94.5%	99.04	68.7%	266.11	157.33	69.1%

Key Highlights**Q2FY24 – Key Highlights:**

- The growth in revenue driven by increase in spends on Credit card business along with growth in Propel point redemption
- The improved Adjusted EBITDA is a result of the operating leverage coming into play
- Also, all profitability metrics, i.e., reported EBITDA (after ESOP), PAT and Cash PAT showed improvement both on YoY and sequential basis
- Total ESOP expense for FY24 is expected to be around ₹ 200 mn
- Post the IPO, the company has repaid ₹ 470 mn of borrowings which will result in lower finance cost from H2

H1FY24 – Key Highlights:

- The H1FY24 performance has improved over H1FY23 primarily driven by new products and new customer because of cross selling and upselling
- H1 is usually approx. 40% of the annual business

Commenting on the performance Raj P Narayanam, Founder and Executive Chairman, Zaggle Prepaid Ocean Services Limited said,

"In Q2FY24 we delivered a strong performance with **revenues of ₹1,842 million growing at 41% on YoY basis**. We also registered a **79% growth in Adjusted EBITDA** (before ESOP expenses) outpacing the growth in topline. This phenomenon is a result of strong operating leverage that exists in our business.

At Zaggle, we are pleased about our recent strategic alliance with Kotak Mahindra Bank, marking a major achievement in our journey towards excellence. This follows our strengthened relationship with VISA through our co-branded forex cards.

The market opportunity ahead of us is vast, offering a significant runway for growth. As we continue to develop and execute our strategic initiatives, we are confident in our ability to unlock this potential, paving the way for sustained growth and success in the future.

After our IPO, with a stronger financial position, we've lowered our debt and foresee reduced financial costs from Q3FY24, which will further boost our profitability.

In the first half of the year, our revenue growth is over 38% with an Adjusted EBITDA Margin (before ESOP expense) of around 11.75%. This performance is inline with our full year guidance of 40% to 50% revenue growth along with Adjusted EBITDA Margin (before ESOP expense) between 11% and 13%."

About Zaggle Prepaid Ocean Services Limited (Zaggle)

Incorporated in 2011, Zaggle (BSE: ZAGGLE | NSE:543985) is a leading player in spend management, with a differentiated value proposition and diversified user base. The company operates in the business-to-business-to-customer segment and is amongst a small number of uniquely positioned players with a diversified offering of financial technology products and services. Zaggle is one of the largest number of issued prepaid cards in India in partnership with its banking partners. Additionally, Zaggle has a diversified portfolio of SaaS products, including tax and payroll software, and a wide touchpoint reach. It is a leading player in spend management, with more than 50 million prepaid cards issued in partnership with banking partners and more than 2.27 million users served as of March 31, 2023, offering a differentiated value proposition and diversified user base. Zaggle's network of corporate customers covers the banking and finance, technology, healthcare, manufacturing, FMCG, infrastructure and automobile industries.

For more information, please visit company website <https://www.zaggle.in/>

Safe Harbour Statement:

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.

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