Q4 FY22: Core business profitable, 100% revenue growth YoY

Q4 FY22

1. Growth
    a. Insurance Premium ₹ 2,176 Cr, up 70% YoY
    b. Credit Disbursal ₹ 2,189 Cr, up 72% YoY
    c. Operating revenue ₹ 540 Cr, up 100% YoY
2. Core Business
    a. Operating revenue ₹ 386 Cr, 45% YoY and 22% QoQ growth
    b. Contribution margin 46%
    c. Physical presence build up costs are absorbed within these margins
    d. Core business Adjusted EBITDA was ₹ 10 Cr positive for the quarter (absorbing an ₹ 18 Cr loss by the non-insurance business), thus core insurance business had an Adjusted EBITDA of ₹ 28 Cr for the quarter
    e. Core business should stay EBITDA positive now
3. New Initiatives
    a. Operating revenue of ₹ 154 Cr, up 209% QoQ and about 37x YoY
    b. Investment in new initiatives ₹ 90 Cr
    c. We have achieved rapid scale and leadership
    d. Future growth will be driven with higher efficiency

FY 22

1. Growth
    a. Insurance premium ₹ 6,975 Cr, up 46% YoY
    b. Credit disbursal ₹ 6,607 Cr, up 126% YoY
    c. Operating revenue ₹ 1,425 Cr up 61% YoY
    d. ₹ 88 Cr deferred revenue up from ₹ 44 Cr last year, so there was incremental deferred revenue of ₹ 44 Cr
    e. The number of consumers who accessed their credit scores on Paisabazaar reached 27.3mn
2. Core business
    a. Operating revenue ₹ 1,200 Cr, growth 37% YoY (40% including deferred revenue)
    b. Contribution margin 39%
    c. Adjusted EBITDA ₹ -111Cr
        i. ₹ 67 Cr loss owing to Non-Insurance business
        ii. ₹ 44 Cr loss owing to growth in deferred revenue (₹ 88 Cr from ₹ 44 Cr)
        iii. Thus Core Insurance business reached breakeven
    d. Renewal revenue of ₹ 222 Cr
3. New Initiatives
    a. Operating revenue ₹ 225 Cr up from ₹ 12 Cr Last year
    b. Investment of ₹ 171 Cr (roughly 3% of Cash reserves)
    c. Scale with efficiency are the priorities for FY23
4. Cash stood at ₹ 5,154 Cr
    a. We were not able to identify any inorganic growth opportunity where we felt convinced that buying over building was the right decision for us
    b. In most instances, we continue to prefer "BUILD" over "BUY"
    c. Our spend on new initiatives is likely to stay below our interest income

Commenting on results, the company stated:

"Our focus continues towards increasing insurance coverage for families across India. To reflect that commitment, we have changed our tagline to "Har Family Hogi Insured!" We are seeing a steady shift in business mix towards smaller towns and cities; currently 59% of our insurance business is from non-Tier 1 cities up from 28% in FY17.
We have seen a significant improvement in our service quality and claims assistance, as reflected in CSAT of 84%. Building great customer experience is our top priority.

We collaborate with our partners to innovate products and processes along with enabling sharper risk assessment and fraud control.

The sales via physical appointments are delivering meaningful impact as reflected by the steady growth in 'premium per enquiry' over the last year in Health and Life insurance businesses.

Our core business is now adjusted EBITDA positive and we expect that to improve further.
Within this, insurance core business delivered ₹ 28 Cr adjusted EBITDA in Q4. Credit core business is decidedly moving towards profitability. Both these businesses will grow profitably as category leaders. Going forward, investment in new initiatives will likely be covered by interest income.

We derive confidence in future profitability from the strength of our renewal back-book, the operational efficiency reflected by increased premium per enquiry and most importantly, the commitment of our team."