



**Q2 FY26**  
**Shareholders' Letter**

November 2025

## From the Founders

Dear Shareholders,

First of all, thank you for your belief in us. We started Groww to make investing simple, transparent, and delightful.

Our philosophy is to always do right by the customer, to put them first everywhere, and to leverage technology to craft the best experience across multiple products. With this philosophy, we have received immense love and support from our customers – and they have trusted us with their hard-earned money. We are grateful.

Although we have been around for more than nine years, we feel we have not even covered 1% of our journey. We are honoured to have you join us as new shareholders on this journey to build something we will all be proud of.

Since this is my first letter to you as shareholders, I want to lay out our roadmap for the next few years. As we publish our quarterly reports, you will see us repeat the same themes. We believe in compounding – product compounds, wealth compounds, trust compounds. However, please keep in mind that this consistent progress may not always result in smooth returns.

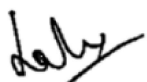
India, as a country, is sprinting ahead, leveraging its young demographics. The percentage of people building wealth through financial markets is still very small. Groww is spearheading the movement to bring millions across the country to participate in our nation's growth and build wealth. Customer growth will be our top priority in our roadmap. Our obsession with building a beautiful experience creates strong word of mouth. In addition, as existing customers engage with more products, our retention rates increase.

As customers grow in their lives, we forge deeper relationships with them. They might start with one product, but then they need many more products. In the course of our journey, we have added 10+ products, primarily driven by what customers want on the platform. Every new product we launch also gives prospective customers another reason to join the platform. We are excited that there are tens more they will need, and we will continue building over the coming years.

We think about the platform from the customer's perspective. Thinking this way generates customer love. Monetization follows. We are committed to creating long-term value for all our shareholders.

Lastly, a customer-focused brand and technology infrastructure that take years to build become your company's enduring advantages.

Once again, thank you for joining us on this journey to build India's largest investing and wealth platform.



Lalit Keshre

## Key Highlights

# 19 Mn

+5% QoQ  
+27% YoY

**Total Transacting Users**

Active Users: 14.8 Mn

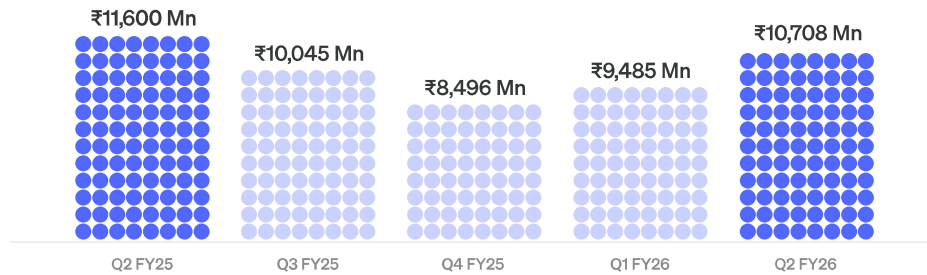
# ₹2.7 Tn

+2% QoQ  
+33% YoY

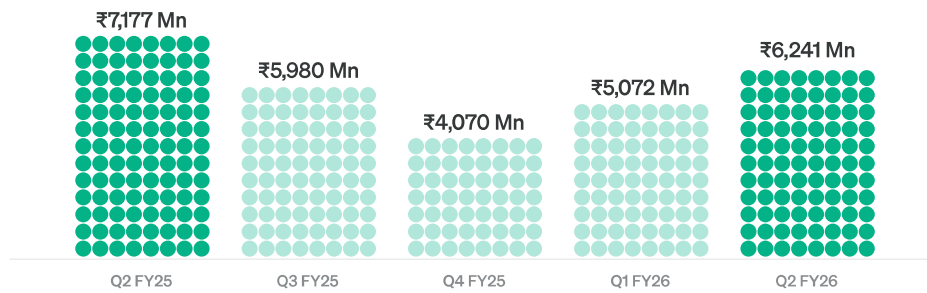
**Total Customer Assets**

Mutual Funds is 53%

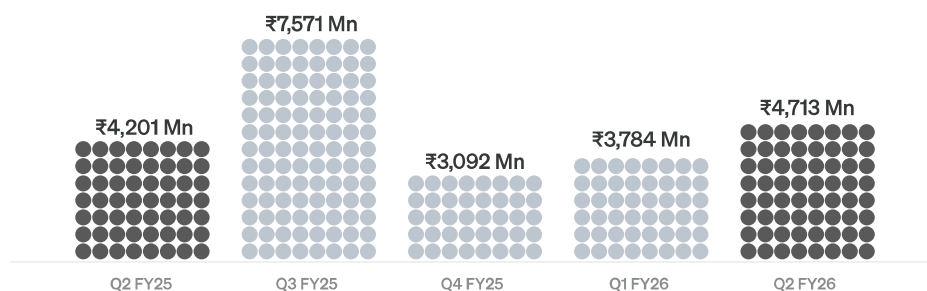
### Total Income



### Adjusted EBITDA



### Profit After Tax

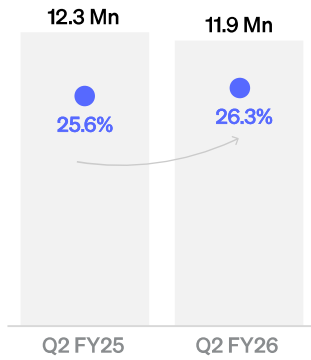


<sup>1</sup> We have not consolidated the operations of Fisdom ("Finwizard Technologies Private Limited") as the 100% acquisition of the Company was consummated on October 3, 2025.

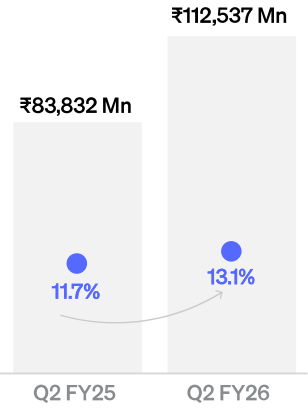
## Summarizing Our Performance

### Our Market Share Across Products

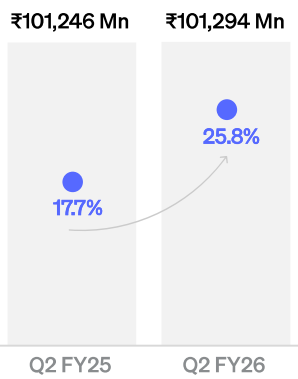
#### NSE Active Clients



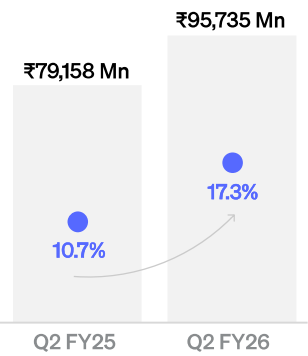
#### Mutual Funds SIP Inflows



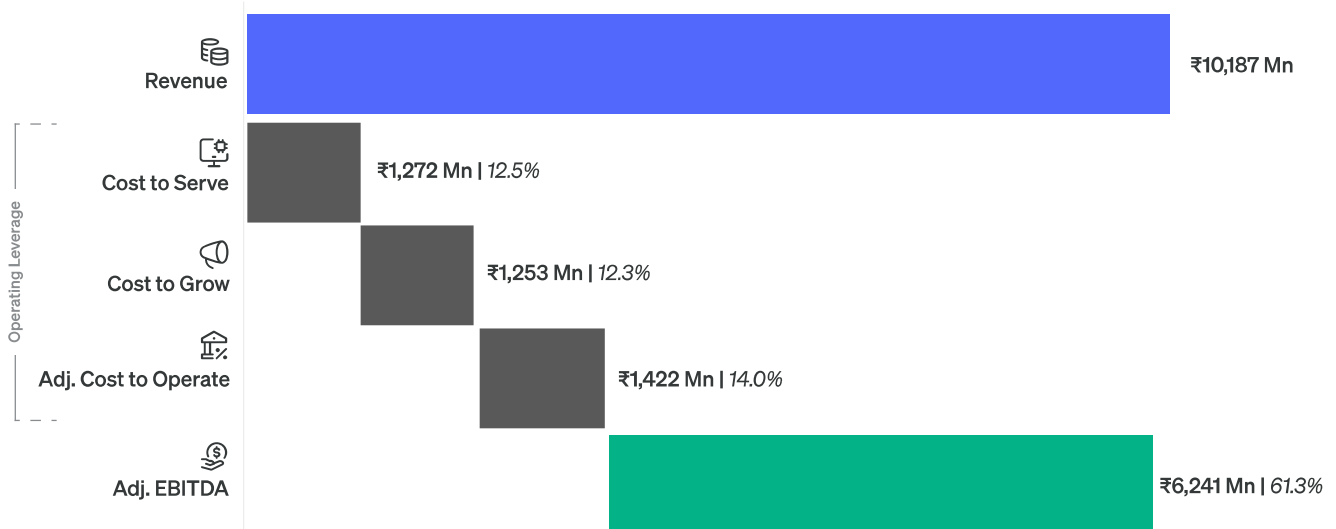
#### Retail Cash ADTO



#### Retail Derivatives Premium ADTO



### Our Business Model



## Investors' Top Of Mind

### Q1. Revenue from operations grew 13% QoQ to ₹10,187 Mn in Q2 FY26 - what are the factors driving this?

Our growth is a function of two factors - firstly, Active Users, which is a result of new acquisitions done in this quarter, and the customers retained from existing customers. Secondly, existing customers' activity on our platform, which is a function of penetration in existing and new products and user maturity in terms of growth in activity.

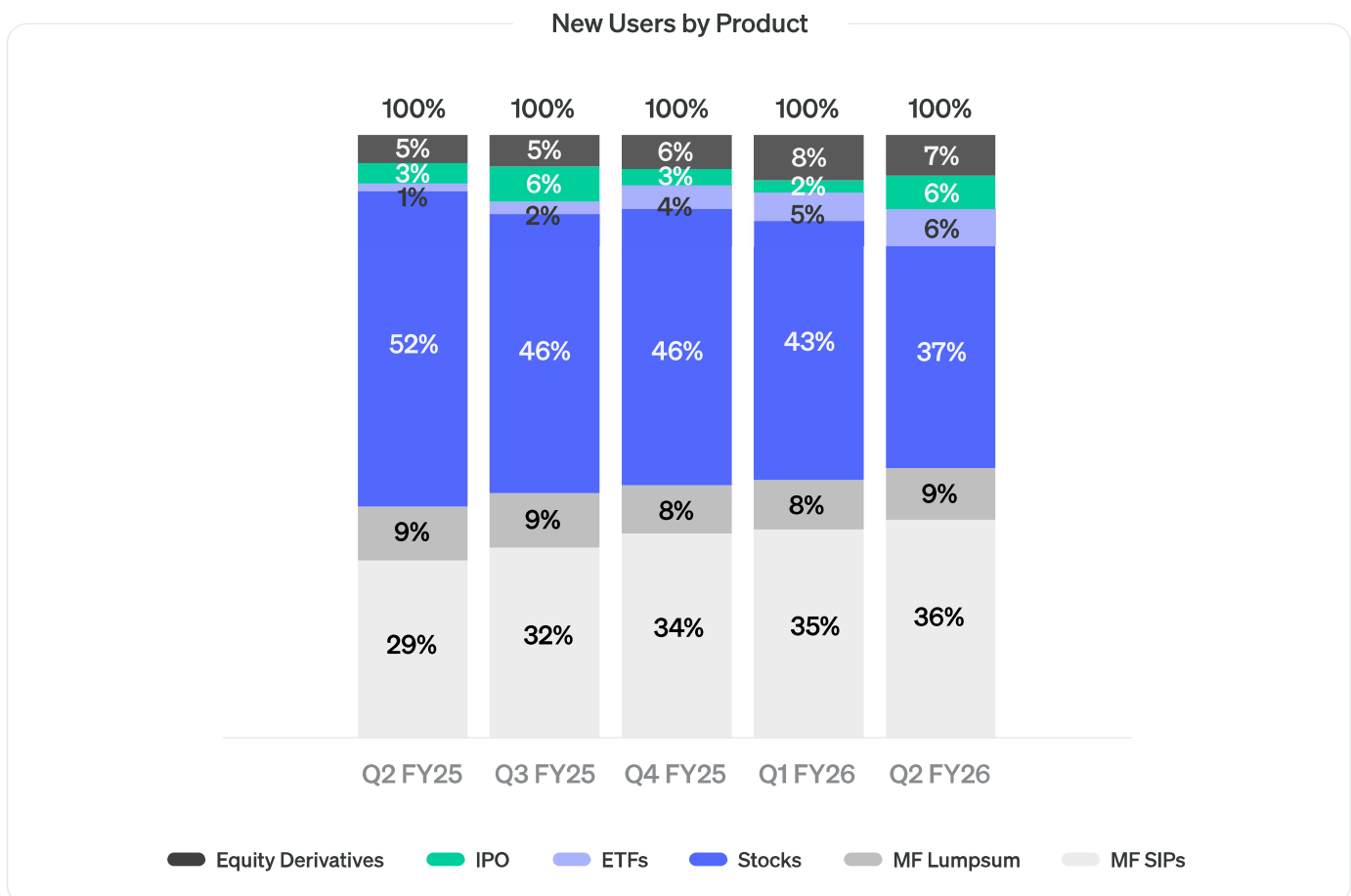
Active Users grew 3.2% QoQ led by growth in new user acquisition and we also saw a higher number of users engaged across multiple products with higher user activity.

In Q2 FY26, 4.5% of the 13% incremental revenue growth was contributed by newly acquired users, with the rest coming from existing users.

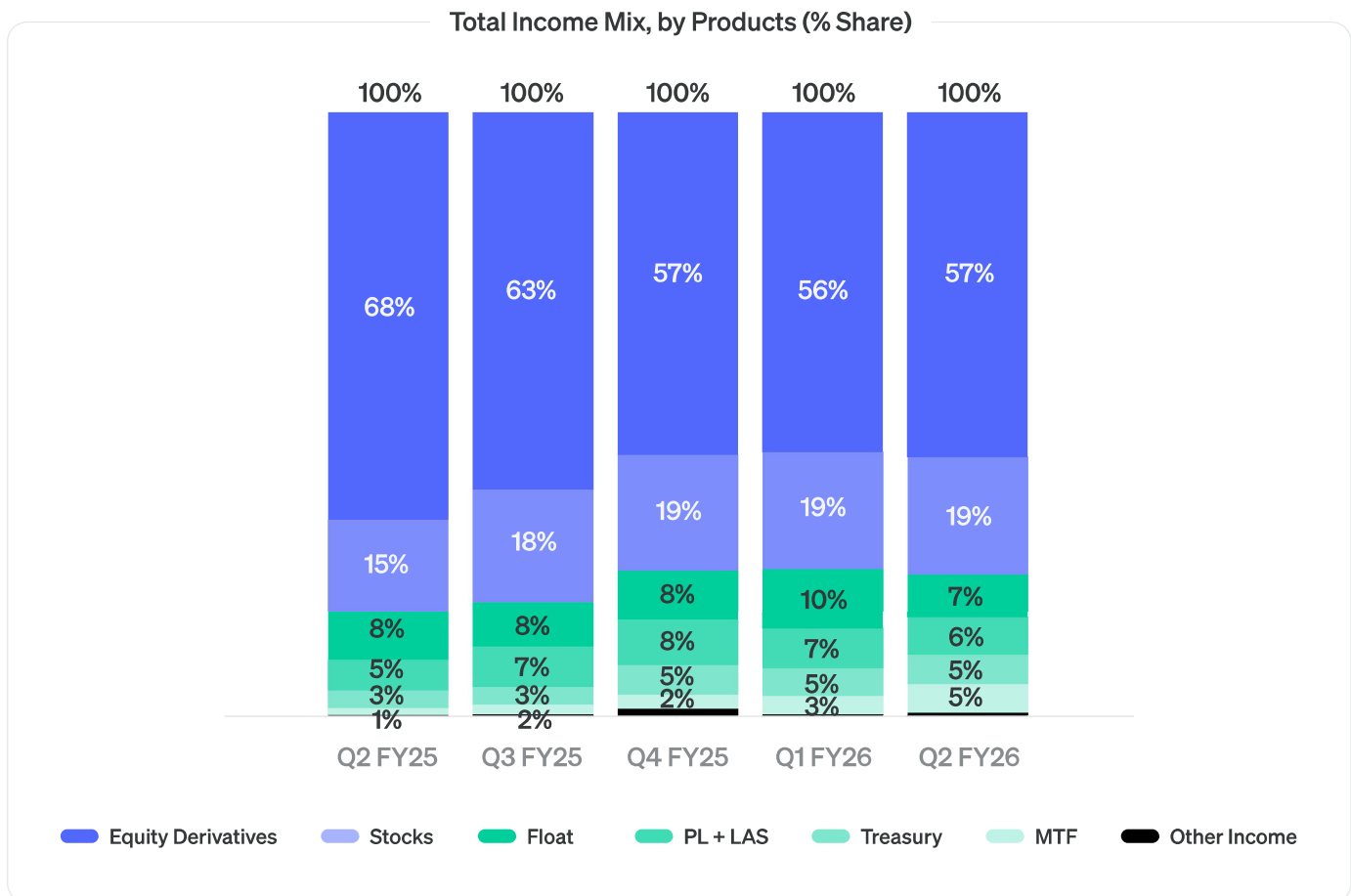
### Q2. What is the first product that customers engage with when they join the platform?

When we started, we just had Mutual Funds as our anchor product and now have two, including Stocks. Even today, 4 out of 5 customers joining our platform start their journey with either one of them. But, what we have seen recently is that other products are also gaining popularity as the first touchpoint for new users coming to our platform, notably ETFs and IPOs.

In Q2 FY26, 36% of our new users were Mutual Funds SIP-first, (+) 7pp share versus Q2 last year. Stocks-first is at 37%, but (-) 15pp share YoY. The share of ETF-first users at 6% is now 6x from last year whereas IPO-first, which includes Equities & Bonds, is now 6%, 2x YoY.



### Q3. What is your revenue split by products ?



High-growth products have seen an uptick in the share of revenue, eg. Stocks (+4pp share YoY), Margin Trading Facility (+4pp share YoY), and interest based income (+2pp share YoY, led by LAS), thereby helping diversify away from Derivatives, which has seen (-) 10pp share YoY.

Furthermore, Fisdom, which we recently acquired, at its existing run-rate would add 3 - 4% to Revenue from Operations.

More customers are now using Mutual Funds, Stocks, PL + LAS and MTF, whereas penetration in Derivatives has reduced significantly.

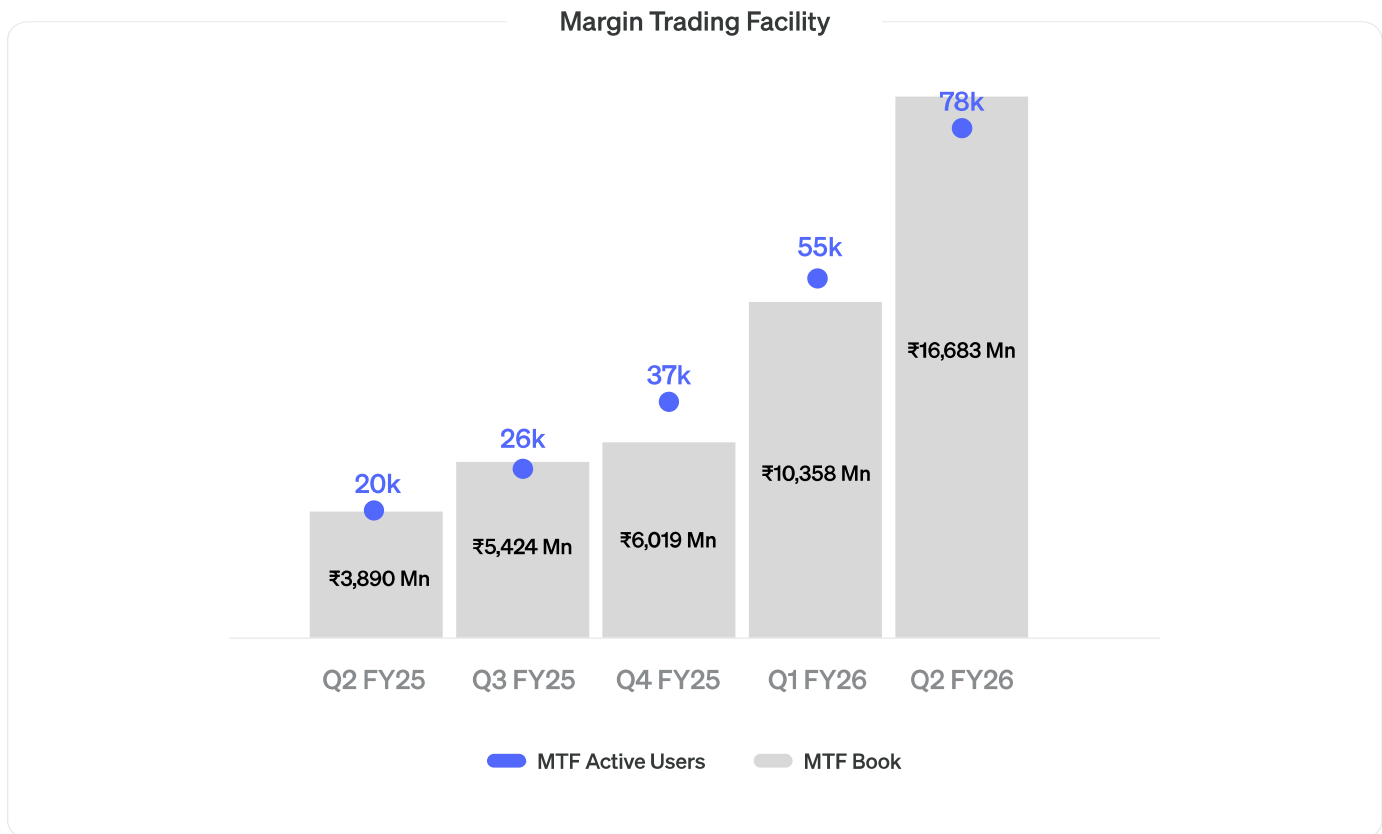
### Q4. The Revenue per Broking Order was ₹18.0 in Q2 FY25 and is ₹19.8 in Q2 FY26. What has contributed to this growth and have you seen any adverse impact?

On the Derivatives side, the revenue per order decreased due to the impact from the true-to-label circular regulation.

For Stocks, the revenue per order has increased. This has been driven by two factors:

- Higher average order value - +66% growth YoY to ₹59,079 as compared to ₹35,502 in Q2 last year.
- Pricing changes made over the past year have contributed the rest of the growth in yield per order.

Q5. The MTF book has grown to ₹16,683 Mn from ₹10,358 Mn in Q1 FY26 – how do you think it will grow in the future and what is the overall opportunity for Groww?



We launched MTF in April 2024 and have since scaled to 78k Active Users, which is a 0.7% penetration on the Stocks Active User base (10.65 Mn). The net funded book is ₹16,683 million at end of Q2 FY26 - translating into a market share of 1.7%. We believe we are still in the nascent stages of this journey and will continue to grow, led by higher penetration, ultimately leading to a fair market share aligned with that of our Stocks Average Daily Turnover (ADTO).

Q6. What have been the early adoption trends of Commodity Derivatives on Groww platform?

We launched Commodities in a phased manner in September 2025 and by end of the month, we saw 7-8k average Daily Transacting Users, and 8 - 10 orders per user per day.

In revenue terms, based on September, it was less than 1% of Revenue from Operations.

Q7. Disbursements by your in-house NBFC, viz. Groww CreditServ Technology, grew 58% QoQ - what is the strategy behind such growth?

Our disbursements in Q2 grew ₹1,444 Mn and 36% of this was on account of Loan Against Securities (“LAS”), which was introduced in this quarter on our own book. We saw 9.8k customers use the product on our platform in this quarter. Personal loans continued to scale at an organic growth rate.

**Q8. Could you provide an update on the acquisition of Fisdom and elaborate on your strategy regarding wealth management?**

Regarding the acquisition of Fisdom (“Finwizard Technology Private Limited”) - we completed the transaction in October 2025 and while our Q2 FY26 Balance Sheet has consolidated Fisdom, the impact on the Consolidated Statement of Profit & Loss will be reflected from Q3 FY26. Last year, Fisdom generated a top-line of ₹1,663 Mn.

An interesting trend observed on our platform has been the emergence of Affluent Users located across India. This segment is growing fast, demonstrating higher growth not only in terms of number of users (52% YoY growth versus 20% for overall active users) but also in terms of assets (now constituting 34% of Total Customer Assets, compared to 31% in Q2 of the previous year). They need specialised wealth products such as AIF, PMS, and Advisory.

The wealth offering is still in early days and we will talk more about this in the coming quarters.

**Q9. Can you shed some light on the new product launches like 915 and Bonds in the last quarter?**

- 915 - is a desktop-first browser-based trading terminal for our power traders. It's flexible, and enabled with AI and widgets like charts, option chain, straddle charts, OI analysis, and P&L tracking. We are still in beta on this product.
- Bond IPOs - we launched this in June 2025, allowing users to apply through a completely digital process, and have gained 5 - 6% market share in retail allocations in Q2 FY26.

Given that these products are still in early days, we will be better placed to provide colour on them once they become a significant part of our revenue.

**Q10. Cost to Grow in Q2 increased 23% YoY and 15% QoQ to ₹1,253 Mn, whereas it is generally lower coming out of Q1. What drove this?**

If we look at YoY, the growth is largely due to branding related activities, partially offset by lower performance marketing spend.

However, Q2 over Q1 this year, the performance marketing spend was 48% higher and this was compensated to some extent by lower branding.

Consequently, we have a higher CAC in Q2 FY26 and in H1 FY26 than in previous years. The CAC for H1 FY26 was ₹1,374 and is higher than the historical averages. If we look at the same period last year (H1 FY25), which coincided with the markets' growth, it was ₹796.

**Q11. What contributed to 4.1pp QoQ expansion in the Profit After Tax (“PAT”) margin in Q2 FY26? Is similar growth sustainable?**

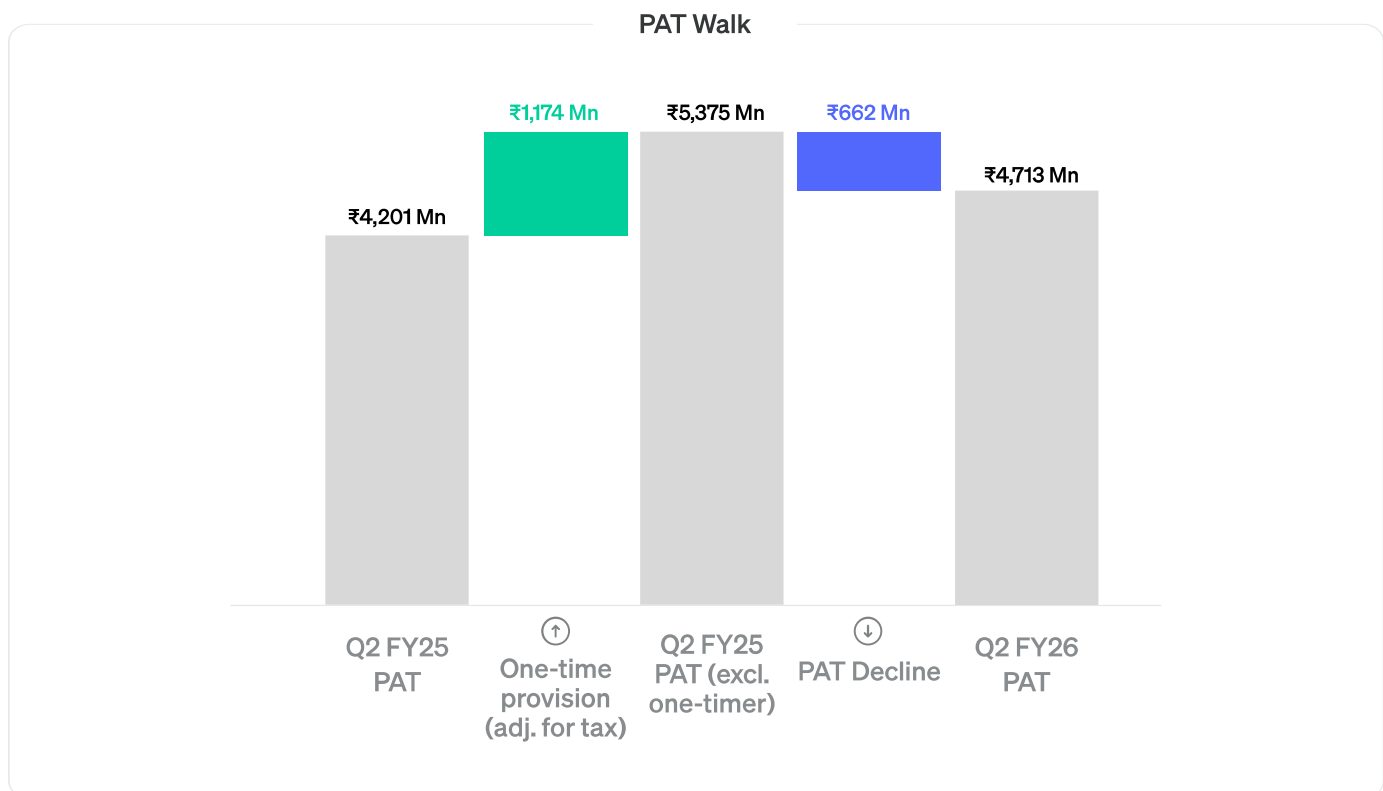
In our view, it is better to look at PAT margins on an annual basis than quarterly, as there can be variations due to multiple factors - macro conditions, holidays, event-driven branding spends, etc. For example, in Q2 this year, we invested in discretionary branding activities such as Asia Cup, Kaun Banega Crorepati, etc., in the absence of which our PAT margins could have been even higher. That said, for Q2 FY26, our Profit After Tax margin was 44%, broadly in-line with the full year FY25 PAT margin.

Our business model largely resembles that of a software platform, where most of the incremental revenues flow through entirely to the bottom-line, with more than 90% of our costs not direct in nature. Whenever our revenue growth outpaces costs, our leverage improves, thereby leading to higher profitability.

**Q12. Revenue from Operations declined 9% in Q2 FY26 versus the same period last year, but Profit After Tax grew 12%. Could you elaborate?**

In Q2 last year, we had a provision for a one-time long-term incentive amounting to ₹1,593 million, which was reversed in Q3 FY25 along with the ₹1,593 million provision from Q1 FY25 as well. If we were to exclude this, adjusted for tax, the Profit After Tax would have been higher in Q2 last year and Q2 FY26 profits would have decreased 12 - 13% YoY, in-line with the revenue decline, which happened due to the “True-to-label” and Equity Derivatives’ regulations introduced last year.

We think it is better to look at Adjusted EBITDA to determine the operating health of the company due to the one-off adjustments which will be normalised Q4 FY26 onwards.



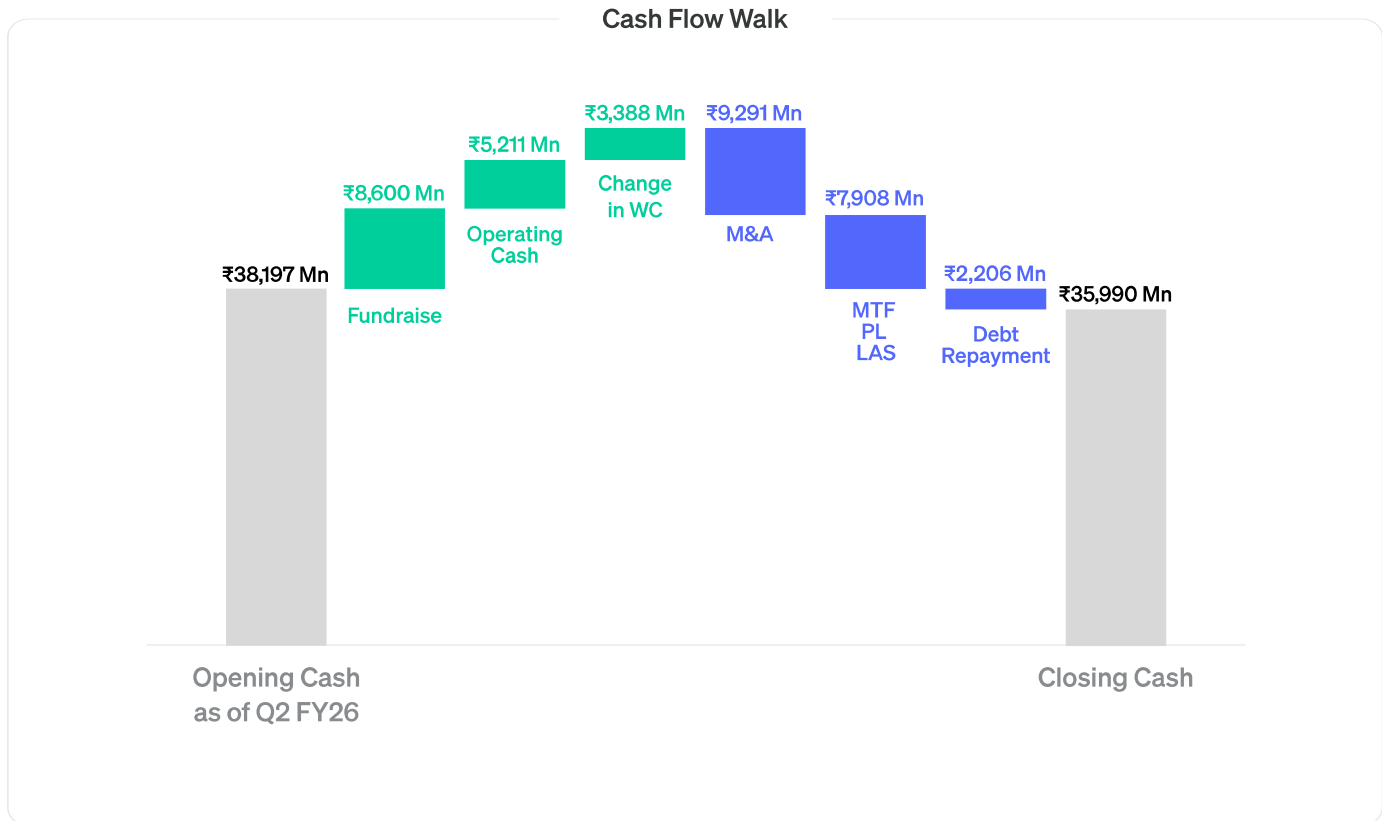
**Q13. Industry NSE Active Users fell from 50.2 Mn in January 2025 to 45.3 Mn at the end of Q2 FY26. Groww NSE Active Clients have also declined from 13.2 Mn to 11.9 Mn. Do you think NSE Active Clients have peaked?**

NSE Active Clients is a lag metric, including anyone who has undertaken any transaction in the last twelve months, and any decline is observed with a delay. We already saw growth in our NSE Active Users in October and our market share grew to 26.6% from 25.6% in Q2 FY25 - we believe we are at an inflection point.

In the long term, the runway for growth remains significant. In India, presently there are 45 Mn investors (5% of the adult population); if we compare to developed nations, the participation is still at a nascent stage. A recent SEBI Investor Survey highlighted a significant awareness-to-participation gap. 63% of Indian households (213 million) are aware of at least one securities market product but the actual participation stands at just 9.5% (32.1 million households). Also, 22% of aware non-investors expressed an intent to invest within the next year. We believe that these prospective users are waiting on the sidelines, for the right time and opportunity to enter the markets.

Q14. The Company generated ₹4,713 Mn in cash during Q2, yet the cash balance at the end of the quarter was 6% lower. What is the reason for this decline?

We are deploying our earnings for scaling our MTF and Credit (LAS) business. Additionally, in Q2, we had a payout of ₹9,610 Mn towards the acquisition of Fisdom.



\*Cash balance includes Fixed Deposits, Investments in MFs, Investment in Securities including Government Securities and NCDs.

# Glossary

KPIs	Definitions
<b>Platform Metrics</b>	
Total Transacting Users	Total Transacting Users is the sum total of unique new transacting users acquired as of the end of the reporting period on Groww platform whereby a 'New Transacting User' ("NTUs") is a user who has (i) deposited or invested ₹1,000 or more and has undertaken a transaction on our platform, or (ii) has taken a loan on our platform for the first time.
Active Users	Active Users are defined as unique users that have transacted on Groww in the last three months or have total assets greater than ₹0 as on the last day of the reporting period. Active Users are a subset of Total Transacting Users defined above.
NSE Active Clients	NSE Active Clients are customers (on Groww) who have done at least one transaction within the last 12 months on NSE.
Total Customer Assets	Total Customer Assets are defined as the sum of the (a) value of Stocks held by users in demat accounts at Groww, (b) value of Mutual Funds' holdings of users invested through Groww, and (c) value of customer funds held by users on Groww platform. The value of assets reported is as on the last day of the reporting period.
<b>Financial Metrics</b>	
Revenue from Operations	Revenue from operations as presented in the Statement of the Unaudited Consolidated Financial Results.
Cost to Serve	Summation of (a) Software, server and technology costs and (b) Transaction and other related charges
Cost to Grow	Marketing and business promotion expense
Cost to Operate	Total expenses excluding (a) finance costs, (b) depreciation and amortisation expense, (c) marketing and business promotion expenses, (d) software, server and technology expenses and (e) Transaction and other related charges
Adj. Cost to Operate	Adjusted Cost to Operate is defined as Cost to Operate minus share based payments, one time performance based incentive and long term incentive.
EBITDA (excluding Other income)	EBITDA is defined as profit/(loss) for the period/year plus (i) Total tax expense, (ii) Finance costs, and (iii) Depreciation and amortisation expense less Other income.
Adjusted EBITDA	EBITDA, plus (i) Exceptional item (taxes), (ii) Share based payments, (iii) One time performance based incentive, (iv) Long term incentive and, (v) Share of net loss of associate accounted for using equity method (net of tax).
Adjusted EBITDA Margin	Refers to Adjusted EBITDA, as a percentage of Revenue from operations.
Profit / (loss) for the period / year	Profit/(loss) for the period/year, as presented in the Statement of the Unaudited Consolidated Financial Results.
Profit / (loss) for the period / year Margin	Refers to Profit/(loss) for the period/year, as a percentage of Total income.

# Glossary

KPIs	Definitions
<b>Product Metrics</b>	
MF Assets held on Groww	Refers to the value of Mutual Funds' holdings as on the last day of the reporting period, of all users who have invested through Groww.
MF SIP Inflows	Defined as the total value of SIPs purchased through our platform during the reported period.
Broking Orders	Total number of orders executed in Stocks and Derivatives during the reporting period.
Stocks Active Users	Unique users who have qualified as "New Transacting User" and have either transacted in Stocks, IPO, or MTF products on our platform in the last three months of the reporting period, or have value of Stocks held in their demat account at Groww more than ₹0 as on the last day of the reporting period.
Average Daily Turnover	Defined as cumulative turnover in Stocks during the period divided by the total number of trading days in the reporting period.
Derivatives Active Users	Unique users who have qualified as "New Transacting User" and have transacted in Derivatives on our platform in the last three months of the reporting period.
Average Daily Premium Turnover	Defined as cumulative turnover in Derivatives (that is the notional turnover for futures and premium turnover for options) during the reporting period divided by the total number of trading days in the reporting period.
Disbursement by Groww CreditServ Technology	Total amount of loans disbursed by our NBFC subsidiary, i.e., Groww Creditserv Technology Private Limited ("GCS") during the reporting period.
MTF Active Users	Defined as unique users have an outstanding funded book as on the last day of the reporting period.
MTF Book	Refers to "Loan - Margin Trading Facility" viz., MTF outstanding (funded) book as per the Statement of the Unaudited Consolidated Financial Results as on the last day of the reporting period.
Cash Balance	Includes Fixed Deposits, Investments in MFs, Investment in Securities including Government Securities and NCDs.

# Disclaimer

## Forward-looking Statements

This letter contains certain statements that are or may be forward-looking statements, including without limitation, statements relating to Groww's business objectives, strategies, results of operations, financial condition, strategic direction, future prospects, estimates of revenue growth, future financial or operating performance, and overall industry outlook. These statements can be recognised by the use of words such as "expects", "plans", "will", "continue", "think", "believes" or other words of similar meaning. These forward-looking statements are not guarantees of future performance but represent only the Company's current intentions, beliefs, expectations, assumptions and estimates, and are subject to risks and uncertainties that are difficult to predict and are outside the control of the Company. These statements involve risks and uncertainties which include, but are not limited to, regulatory changes pertaining to the industry in which our Company has businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and globally which have an impact on our business activities or investments. Actual results may differ materially from those expressed or implied in such forward-looking statements. Against the background of these risks, uncertainties, and other factors, readers of this letter/document are cautioned not to place undue reliance on these forward-looking statements. The Company assumes no responsibility to update forward-looking statements or to adapt them to future events or developments.

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## Use of non-GAAP Measures

In addition to our results determined in accordance with Ind AS, we believe the following Non-GAAP measures are useful to investors in evaluating our operating performance. We use the following NonGAAP financial information to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that Non-GAAP financial information, when taken collectively with financial measures prepared in accordance with Ind AS, may be helpful to investors because it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance. However, our management does not consider these Non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with Ind AS. Non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with Ind AS. Non-GAAP financial information may be different from similarly titled Non-GAAP measures used by other companies. The principal limitation of these NonGAAP financial measures is that they exclude significant expenses and income that are required by Ind AS to be recorded in our financial statements, as further detailed below. In addition, they are subject to inherent limitations as they reflect the exercise of judgement by management about which expenses and income are excluded or included in determining these Non-GAAP financial measures. Investors are encouraged to review the related Ind AS financial measures and the reconciliation of Non-GAAP financial measures to their most directly identifiable Ind AS financial measures included below and to not rely on any single financial measure to evaluate our business.