

# PAYGo PERFORM KPIs: DEFINITIONS AT A GLANCE



Please refer to the **PAYGo PERFORM Technical Guide** for a detailed walk-through of each KPI, helpful analysis, and background for the initiative.

Portfolio Quality Indicator	Definition	Calculation
<b>Outstanding Receivables</b>	Value of the company's gross outstanding receivables streams	Gross Outstanding Receivables as Reported on the Balance Sheet at a Fixed Point in Time
<b>Growth in Outstanding Receivables</b>	Growth in value of the company's gross outstanding receivables streams	$\left( \frac{\text{Gross Outstanding Receivables [T]}}{\text{Gross Outstanding Receivables [T-1]}} \right) - 1$
<b>Collection Rate</b>	Ratio of all collected receivables payments over total receivables payments due for a period (does not include deposits)	$\frac{\text{Cash Receipts From Follow-on Payments During the Period}}{\text{Scheduled Follow-on Payments During the Period}}$
<b>Receivables at Risk (RAR)</b>	<p>Identifies risky proportion of receivables portfolio. Recommended to use both Consecutive Days Unpaid or Collection Rate below threshold to identify risky portion of receivables portfolio.<sup>a</sup> Key thresholds are &gt; <b>30 days</b> for consecutive days unpaid and &lt; <b>50%</b> collection rate since activation, although using ranges of thresholds (e.g., CDU of 30, 90, 180 and CR &lt; 70 and 50%) will likely provide valuable insights.</p> <p>When difficult to use both methods, consecutive days unpaid is recommended as a standalone measure.</p>	<ol style="list-style-type: none"> <li><math display="block">\frac{\text{Gross Outstanding Receivables} &gt; \text{[X] Consecutive Days Unpaid}}{\text{Gross Outstanding Receivables}}</math></li> <li><math display="block">\frac{\text{Gross Outstanding Receivables of Customers with Collection Rate} &lt; \text{[Y]\%}}{\text{Gross Outstanding Receivables}}</math></li> </ol>

<sup>a</sup> There can be meaningful overlap between the two different measures so care must be taken to avoid double counting.

Portfolio Quality Indicator	Definition	Calculation
<b>Write-off Ratio</b>	The sum of the remaining payments of receivables streams that have been written-off in a given period divided by the sum of the remaining payments of the receivables streams for the entire portfolio	$\frac{\text{Outstanding Receivables for Written-off Contracts During the Period}}{\text{Average Outstanding Receivables During the Period}}$
<b>Repossession Ratio</b>	The sum of the remaining payments of receivables streams of repossessed units in a given period divided by the sum of the remaining payments of the receivables streams for the entire portfolio	$\frac{\text{Outstanding Receivables of Units Repossessed During the Period}}{\text{Average Outstanding Receivables During the Period}}$
<b>Contractual Credit Period</b>	Average nominal number of days between system acquisition and expected final payment	$\frac{\text{Contractual Repayment Term (Days) of Active Units}}{\text{Number of Active Units}}$
<b>Effective Credit Period</b>	Effective (actual) length of time taken for an average customer to pay off their solar device	$\frac{\text{Effective Repayment Term (Days) of Repaid Units}}{\text{Number of Repaid Units}}$
Unit or Firm Level Indicator	Definition	Calculation
<b>Total Cash Receipts from PAYGo Customers</b>	The total cash receipts received from PAYGo customers – including customer deposits and follow-on payments	The Sum of Customer Deposits and Follow-on Payments Received from All PAYGo Customers Over a Period of Time
<b>Cost of Goods Sold Ratio<sup>a</sup></b>	Total cost of goods sold expressed as a proportion of cash receipts received from customers	$\frac{\text{Cost of Goods Sold}}{\text{Total Cash Receipts from Customer}}$
<b>Sales and Maintenance Cost Ratio<sup>a</sup></b>	Sum of all sales and maintenance costs expressed as a proportion of cash receipts received from customers	$\frac{\text{Sales and Distribution Cost} + \text{Servicing and Maintenance Cost} + \text{Other Variable and Semi-variable Costs}}{\text{Cash Receipts from Customers}}$

a Cash Receipts

Unit or Firm Level Indicator	Definition	Calculation
<b>Provision Expense Ratio<sup>a</sup></b>	The cost of credit provisions expressed as a percentage of cash receipts	$\frac{\text{Provisioning Expenses}}{\text{Cash Receipts from Customers}}$
<b>Total Contribution Margin<sup>a</sup></b>	The total profit based on variable costs for the PAYGo solar firm as a proportion of the total cash receipts received from customers	$\frac{\text{Cash Receipts from Customers} - \text{Total Variable and Semi-variable Costs}}{\text{Cash Receipts from Customers}}$
<b>Financial Expense Ratio<sup>a</sup></b>	The cost of financial expenses expressed as a percentage of cash receipts	$\frac{\text{Financial Expense}}{\text{Cash Receipts from Customers}}$
<b>Fixed Operating Cost Ratio<sup>a</sup></b>	Other fixed costs expressed as a percentage of cash receipts	$\frac{\text{Other Fixed costs}}{\text{Cash Receipts from Customers}}$
<b>Fixed Cost Ratio<sup>a</sup></b>	Sum of all fixed costs (Marketing, Sales, etc.) of a PAYGo solar firm divided by total cash receipts received from customers	$\frac{\text{Financial Expense} + \text{Other Fixed Costs}}{\text{Cash Receipts from Customers}}$
<b>Total EBT Margin<sup>a</sup></b>	The total profit after all costs for the PAYGo solar firm as a proportion of the total cash receipts received from customers	$\frac{\text{Cash Receipts from Customers} - \text{Total Costs}}{\text{Cash Receipts from Customers}}$
<b>Unit Follow-on Payments</b>	Sum of contractual follow-on payments until system is permanently unlocked, net of customer deposits, per unit sold	$\frac{\text{Receivables Generated During the Period}}{\text{Number Of PAYGo Units Sold During the Period}}$
<b>Unit Customer Deposits</b>	Total contractual PAYGo customer deposits per unit sold	$\frac{\text{Customer Deposits}}{\text{Number of PAYGo Units Sold During the Period}}$
<b>Unit Cash Sales</b>	The total cash received from Cash sales per unit sold	$\frac{\text{Cash Receipts from Cash Customers During the Period}}{\text{Number of Units Sold Cash During the Period}}$

a Cash Receipts

Unit or Firm Level Indicator	Definition	Calculation
<b>Unit Device Cost</b>	The total Cost of Goods Sold during the period per unit sold	$\frac{\text{Cost of Goods Sold}}{\text{Number of Units Sold During the Period}}$
<b>Unit Sales and Distribution Cost</b>	The total cost of installing the device at the customer site, transportation cost (from warehouse to customer) per unit sold	$\frac{\text{Sales and Distribution Cost}}{\text{Number of Units Sold During the Period}}$
<b>Unit Servicing and Maintenance Cost</b>	The total cost of servicing a customer (i.e., collection of payments, customer service) and providing maintenance of installed units	$\frac{\text{Servicing and Maintenance Cost Expressed as Monthly Equivalent} \times \text{Effective Credit Period Expressed in Months}}{\text{Average Active Units}}$
<b>Unit Provision Cost</b>	The contractual follow-on payments that will not be recognized due to write offs on a per unit basis	$\frac{\text{Provisioning Expenses}}{\text{Average Active Units}}$
<b>Unit Contribution Margin</b>	The average profit based on variable costs on a unit basis for a particular product	$\left[ \begin{aligned} &(\text{Unit Customer Deposits} + \text{Unit Follow-on Payments}) \\ &\times \frac{\text{Number of Units Sold PAYGo}}{\text{Total Number of Units Sold}} \end{aligned} \right]$ $+ \left( \text{Unit Cash Sales} \times \frac{\text{Number of Units Sold Cash}}{\text{Total Number of Units Sold}} \right)$ <ul style="list-style-type: none"> <li>- Unit Device Cost</li> <li>- Unit Sales and Distribution Cost</li> <li>- Unit Servicing and Maintenance Cost</li> <li>- Unit Provision Cost</li> </ul>
<b>Liquidity</b>	The liquidity of a company represented by cash and liquid assets convertible in the next 90 days	$\frac{\text{Cash and Liquid Assets Convertible to Cash in the Next 90 Days at End of Period}}{\text{Total Costs Over the Next 90 Days}}$

Company Indicator	Definition	Calculation
<b>Sales Model</b>	Percentage of sales revenue (0 – 100%) by sales model: PAYGo and Cash	$\frac{\text{Sales Revenue Generated per Individual Sales Model During the Period}}{\text{Total Sales Revenue During the Period}}$
<b>Sales Distribution Model</b>	Percentage of sales revenue (0 – 100%) by sales distribution model: B2B, B2C, and Other	$\frac{\text{Sales Revenue Generated by Individual Sales Distribution Model During the Period}}{\text{Total Sales Revenue During the Period}}$
<b>Country Sales</b>	Percentage of sales revenue (0 – 100%) by country	$\frac{\text{Sales Revenue During the Period by Individual Country}}{\text{Total Sales Revenue During the Period}}$
<b>Total Net Sales</b>	Total number of units sold during the period, net of returned and repossessed units	$(\text{Total Number of Units Sold During the Period}) - (\text{Returned and Repossessed Units})$
<b>Repeat Sales</b>	Percentage of sales revenue (0-100%) from repeat customers (current or former)	$\frac{\text{Sales Revenue Generated by Units Sold to Existing or Former Customers During the Period}}{\text{Total Sales Revenue Generated by all Units Sold During the Period}}$
<b>Product Sales</b>	Percentage of sales revenue (0-100%) by product category. Product categories are as per GOGLA standards	$\frac{\text{Sales Revenue by Product Category During the Period}}{\text{Total Sales Revenue During the Period}}$

Operational Indicator	Definition	Calculation
<b>Average Selling Price</b>	Average price of units sold, by sales model: PAYGo and Cash	<p>FOR THE CASH MODEL:</p> $\frac{\text{Cash Sales Revenue During the Period}}{\text{Number of Cash Units Sold During the Period}}$ <p>FOR THE PAYGo MODEL:</p> $\frac{(\text{Customer Deposits Collected} + \text{Receivables Generated from Units Sold During the Period})}{\text{Number of PAYGo Units Sold During the Period}}$
<b>Sales per Distribution Channel</b>	Percentage of sales revenue (0-100%) by distribution channel: agents, wholesalers, shops, financial institutions, e-platforms, governmental projects	$\frac{\text{Sales Revenue by Distribution Channel During the Period}}{\text{Total Sales Revenue During the Period}}$
<b>Sales Points Rate</b>	Fraction of sales points that have gone inactive over the previous 90 days, grouped by distribution channel – Agents (%), Wholesalers (%), Shops (%) and/or Other (%)	$\frac{\text{Sales Points Inactive Over the Previous 90 Days per Individual Distribution Channel}}{\text{Total Sales Points [T-1]}}$
<b>Net Promoter Score (NPS)</b>	<p>Percentage of customers who rate their likelihood to recommend the service to friends or family as high, net of the percentage of customers who rate as low.</p> <p>The NPS should be calculated based upon customers' responses to the question, 'On a scale of 0 to 10, how likely are you to recommend the product/service to a friend or family member, where 0 is not at all likely, and 10 is extremely likely.'</p>	$(\% \text{ of Responses which are 9 and 10}) - (\% \text{ of Responses which are 0-6 Responses})$ <p>This will Result in a Score Between 100 and –100.</p>