



v3 Beta Release
**Summary Guide to the
PAYGo PERFORM KPIs**

July 2025

ACKNOWLEDGEMENTS



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A special thanks to the expert **taskforce** that has contributed to redefining the PAYGo PERFORM KPIs, including individuals from Baobab+, BII, Cygnum Capital, d.light, MFR, Mirova, Nithio, PAYGo Lab, Qotto, Sun King. Thanks also to EDFI MC for the paper on the Solar Panda metrics and methodology. GOGLA's Drew Corbyn and Oliver Reynolds have led the update, with major contributions from Alison Boess.

MFR, a leading ratings agency, is the implementing partner for the PAYGo PERFORM Monitor.



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Executive Summary

PAYGo PERFORM KPIs v3 Beta Release

The initiative defines the industry standard KPIs for PAYGo companies and generates benchmarks and market trends. It has these objectives:



Common language

Create a clear and common framework for analysis and comparison.



Insights

Enable benchmarks and results that drive actions to improve consumer satisfaction, portfolio quality, & profitability.



Transparency

Encourage reporting and improve the understanding of company performance and needs.



Investment

Create tools to facilitate investment and increase capital flows to the sector.

Started in 2018 in partnership with Lighting Global (WB) and CGAP, the initiative led a participatory process to define KPIs 1.0 and [KPIs 2.0](#). As the custodian of the industry standard, GOGLA has led an industry taskforce to update the KPIs to v3.



PAYGo PERFORM v3 aims to support informed and confident financial management and investment, strengthen credit risk and portfolio management, encourage healthy growth, and align incentives for long-term value creation.

The following new standards are included as part of the v3 beta release:

NEW METHOD

- **Cohort Analysis**

NEW KPI

- **Repayment Rate**

NEW KPI

- **Customer Ownership Rate**

Two bases:

- **Paid vs. Financed (PvFin)**
- **Paid vs. Plan (PvP)**

Critical benchmark dates:

- **@ 90 days**
- **@ 2x contract term**



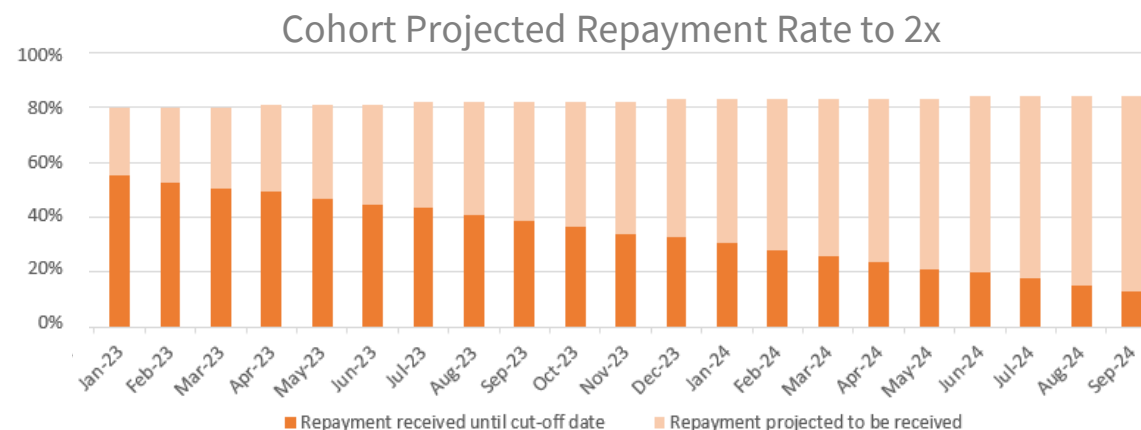
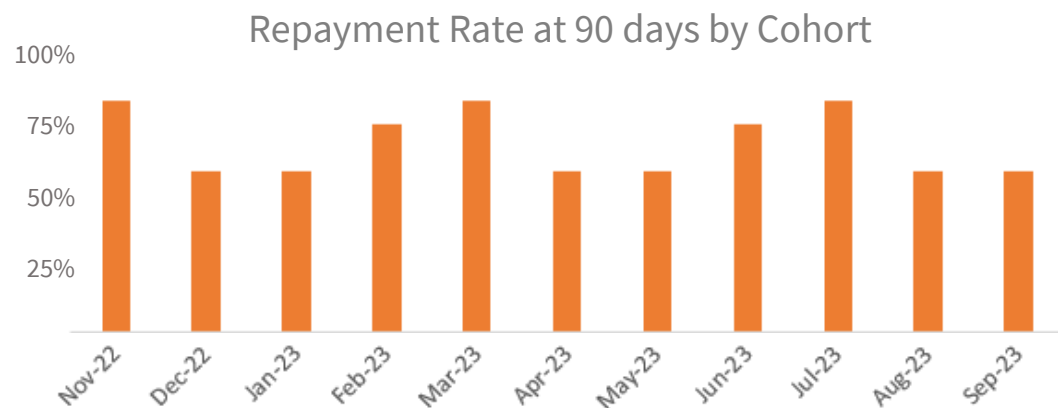
GOGLA has also published the [Guidance for Company Analysis](#) as a supplement to this release. This additional document provides a deeper review of where and how to **apply PAYGo PERFORM standards and KPIs** for analysis of **financial performance of PAYGo companies**.

What does this Guidance Note cover? The Guidance for Company Analysis focuses how the v3 beta release KPIs and standards apply to the following company analysis use cases (relevant v3-beta KPIs highlighted in the final column):

Reporting Area	Topic of Analysis	Details / Purpose	New PAYGo PERFORM KPIs
Credit Risk Management	Portfolio Quality	Analysis of historical repayment outcomes; benchmarking performance to outcomes	Repayment Rate @ 2x
		Cohort and trend analysis on current portfolio	Repayment Rate
		Early indicators on new portfolio performance	Repayment Rate @ 90 days
Balance Sheet	Net Portfolio Valuation	Estimate future value of receivables (aka net receivables or portfolio) after discounting for expected credit losses*	Repayment Rate @ 2x Repayment Rate @ 90 days
Customer Outcomes	Customer Ownership Rate	Social impact, product-market fit, business model efficiency, and opportunities to expand customer lifetime value.	Customer Ownership @ 2x

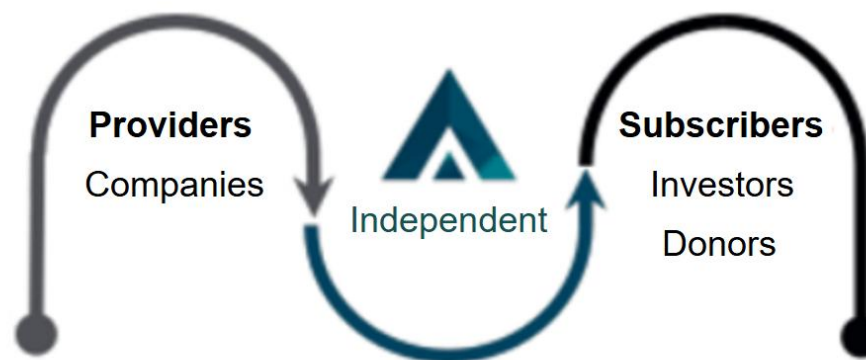
Who is the Guidance Note for? The Guidance for Company Analysis is designed for investors, funders, and PAYGo operators—particularly those responsible for financial analysis, forecasting, performance and risk monitoring, or tracking results against targets/covenants.

The PAYGo PERFORM Monitor (PPM) is a market data initiative led by GOGLA and MFR to provide industry benchmarks and trend analysis to companies and investors. The data set covers 7 million active customers in 23 countries and approximately 75% of the PAYGo market. It includes PAYGo companies selling solar lanterns, SHS, solar generators, PURE, and smartphones. The ATLAS platform hosts the data and features results using PAYGo PERFORM KPIs v3 on portfolio quality, financial health and social performance.



Companies share data and get free access to the reports and platform.

Select to be visible to all the subscribers, only your investor, or masked in aggregate.



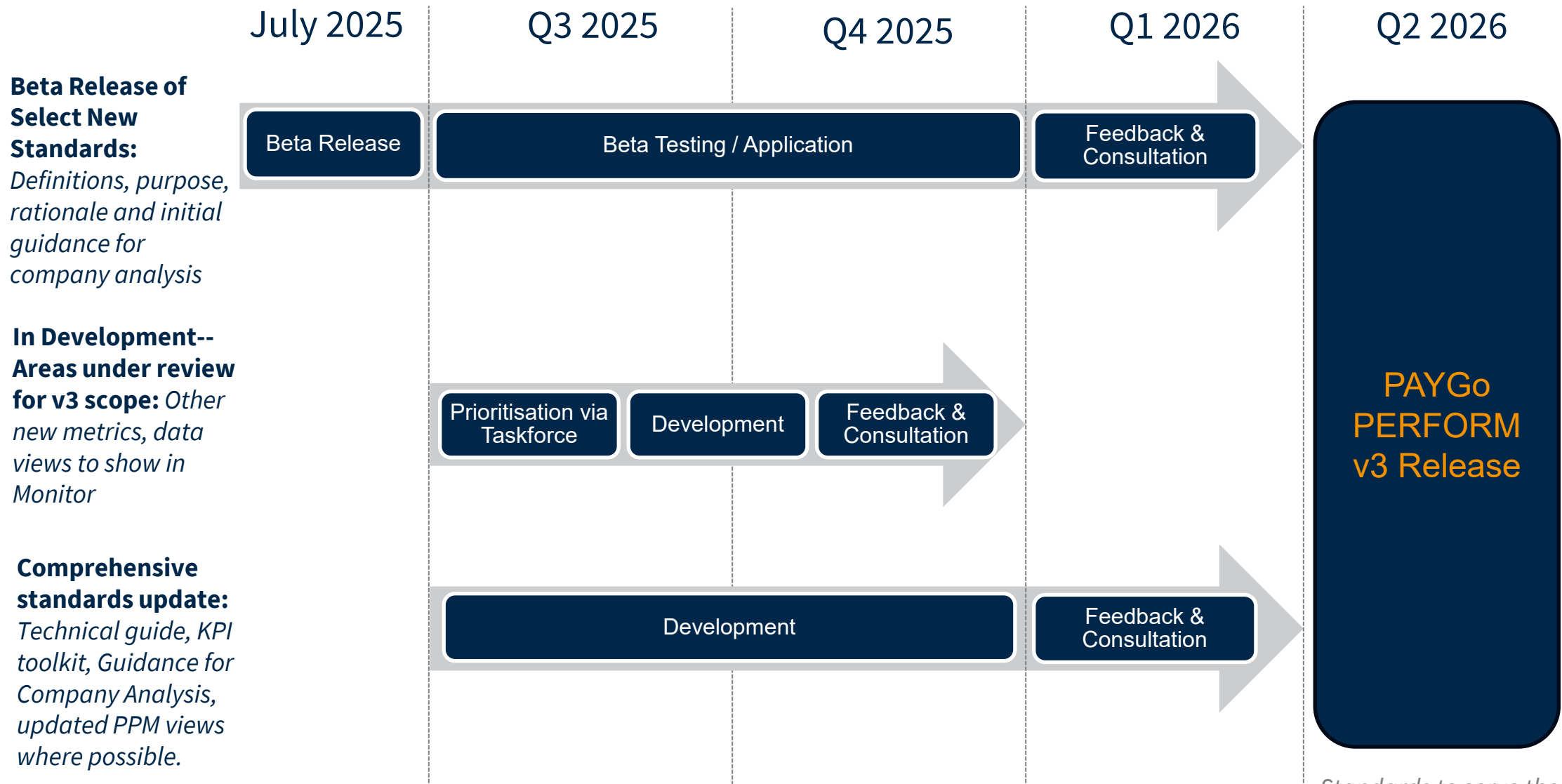
Subscribers get access to market data, granular benchmarks, and individual company results.

A tool for deal origination, due diligence, monitoring, and reporting.

EXECUTIVE SUMMARY | Engaging with the v3 beta release



Feedback on these beta-version KPIs, standards and guidance will be incorporated into the final launch of v3



Beta Release of Select New Standards:
Definitions, purpose, rationale and initial guidance for company analysis

In Development-- Areas under review for v3 scope: *Other new metrics, data views to show in Monitor*

Comprehensive standards update:
Technical guide, KPI toolkit, Guidance for Company Analysis, updated PPM views where possible.

Standards to serve the industry through 2030



Overview of New KPIs and Methods

v3 Beta release standards

The new release incorporates emerging best and better practices and specifically addresses feedback from companies and investors on the need for reliable standards that can be practically interpreted and applied to understanding company performance.

**NEW
METHOD**

1. Cohort Analysis

Portfolio-level metrics alone obscure underlying trends, especially in growth scenarios or in evaluating whether new contracts are improving over the past. Improves interpretation of all KPIs -- new and existing.

NEW KPI

2. Repayment Rate

Two bases:

- ***Paid vs. Financed (PvFin)***
- ***Paid vs. Plan (PvP)***

Critical benchmark dates:

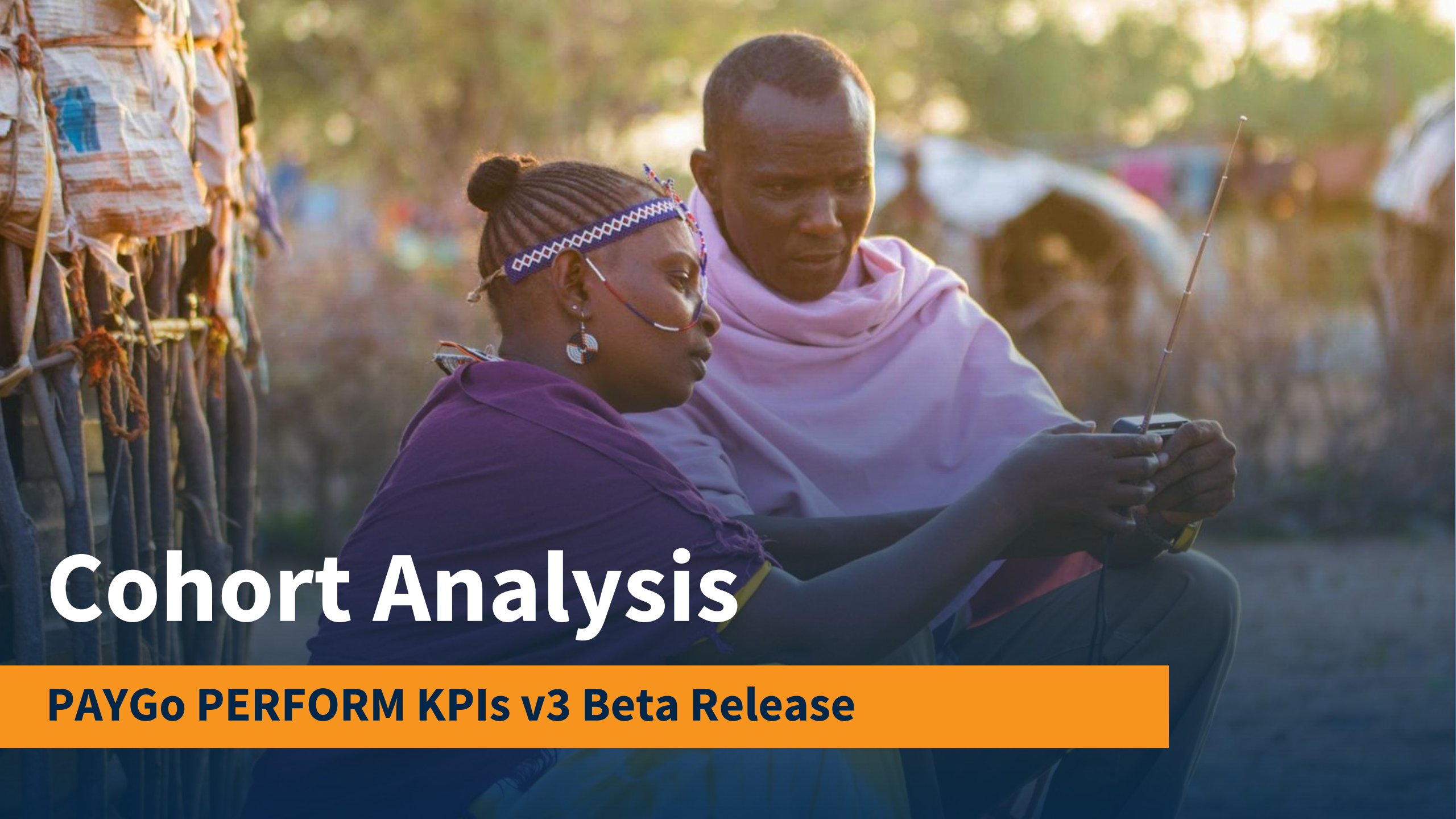
- ***@ 90 days***
- ***@ 2x contract term***

Provides a clear picture of how well customers are adhering to the payment schedule to date by netting out prepayments. Strong basis for predictive analytics of future outcomes.

NEW KPI

3. Customer Ownership Rate

A critical social impact topic which also has major implications on company efficiency and the trust and reputation of PAYGo in markets



Cohort Analysis

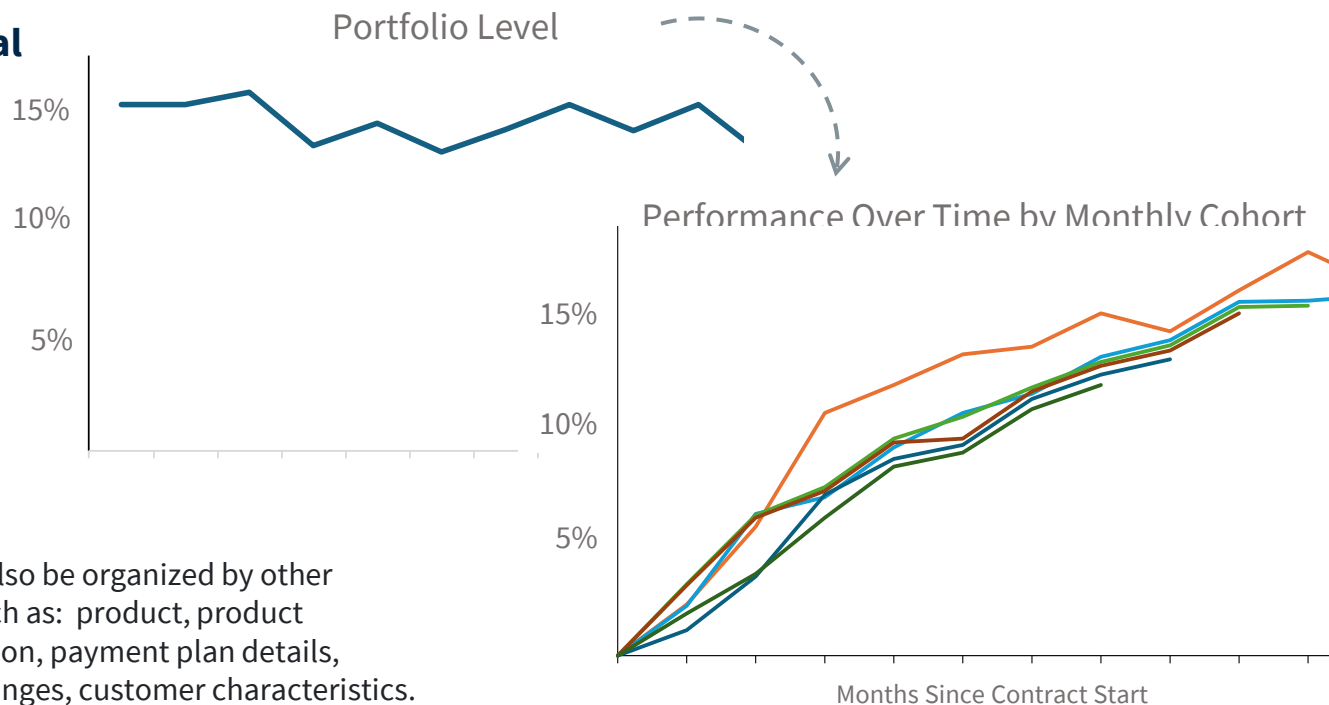
PAYGo PERFORM KPIs v3 Beta Release



Definition: An analytical method that organises customers or their portfolio into groups with similar characteristics. GOGLA recommends organizing cohorts based on the period in which their contract was originated (e.g. the sales month, quarter, year) – often referred to as ‘vintage analysis’.*

- Purpose:**
- Clearly identify and project patterns in payment behavior and portfolio quality
 - Reveal underlying trends that are hidden in aggregate or consolidated data
 - Gain faster, clearer insight into how external factors (e.g., market conditions) and internal changes (e.g., product, pricing, team, or process shifts) affect customer performance across different sales periods
 - Understand how performance evolves over time and links to key outcomes — enabling the use of “performance curves” for forecasting and benchmarking

Conceptual example:



Important analytical method

Cohort analysis is widely-adopted among many of the largest PAYGo companies and those with more advanced analytical capacity. It's also commonly used by investor. It has direct or indirect applications for every area of company analysis in scope here.

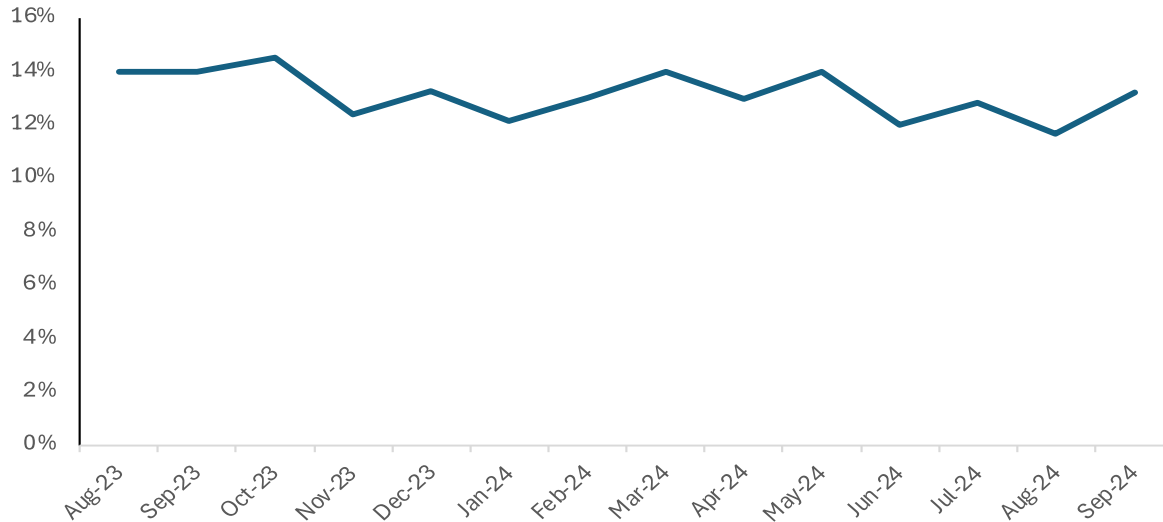
* Cohorts can also be organized by other dimensions such as: product, product category, location, payment plan details, performance ranges, customer characteristics.

1. COHORT ANALYSIS | Conceptual example - % RAR30 + Write-Offs

NEW STANDARD METHOD



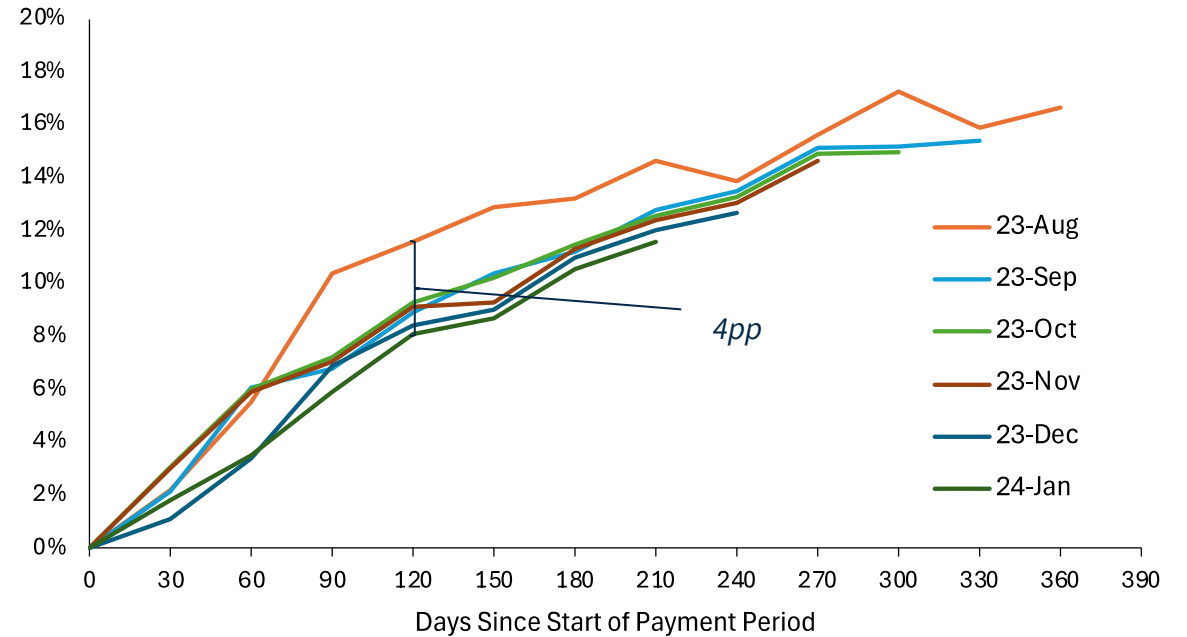
MoM Portfolio Level Trend



MoM Trend Example – Not Showing Much Dynamism

- Monthly trends for the past 13 months show consistent results within the range of 12% to 14%, with slight improvement YoY. No discernable patterns based on month / season.
- From this we would takeaway that the level of known losses in the last 12 months + acute risk is “stable” at around 15%

By Cohorts – Month of Contract Origination



Cohort trends shows strong underlying improvements by Cohort

- Successive improvements in each new cohort. Latest cohort is 4pp better than Aug23 at the 120-day mark.
- The shape of the curve shows fairly consistent increase in RAR30 over time
- Using the curve shape, we can intuitively estimate where these newer cohorts are headed in the next few periods if nothing changes

This example is by days since contract payment plan start so the example could draw out operational details. For financial analysis, the preferred basis is usually % of contract term as it helps normalise for differences in contract length.

Repayment Rate

- General Concept
- Repayment Rate at 2x Contract Term
- Repayment Rate at 90 Days

PAYGo PERFORM KPIs v3 Beta Release

Definition: Measurement of repayment and portfolio quality, comparing the total instalment payments *applied* against the instalments *due*, excluding deposits and net of prepayments for future instalments.

Purpose: Reflects how well customers have adhered to and made progress against the due portion of their payment plan schedule, free from any distortions that might be caused by including prepayments. Useful for performance and portfolio management. Recommended basis for projections and predictive models for forecasting credit outcomes.

General formulas:

Paid vs. Financed basis =	Paid vs. Plan basis =
$\frac{\text{Payments applied to due instalments, net of prepayments}^*}{\text{Total instalments due by end of contract}^{**}}$	$\frac{\text{Payments applied to due instalments, net of prepayments}^*}{\text{Total instalments due to date as per plan}^{**}}$

*net of prepayments for future periods not yet due | **per original contract | all figures exclude deposits

Key concept:

Remove prepayments from the equation for a clearer view on portfolio quality and risk than Collection Rate provides. Collection Rate is still recommended for cashflow analysis and forecasting but no longer recommended as a measure of portfolio quality.

Foundational KPI

Several critical uses in portfolio quality and financial analysis, and core element of many new reporting standards.

2. REPAYMENT RATE | General concepts – The two basic formulas

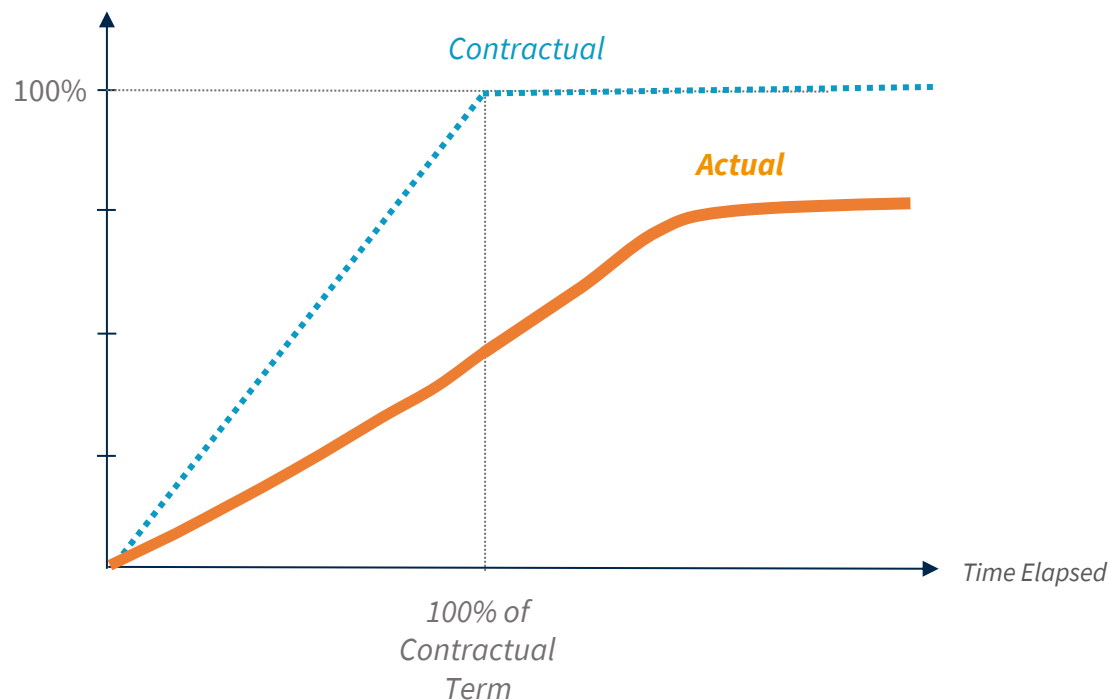
NEW STANDARD KPI

GGLA

Illustrative comparison of the two bases for Repayment Rate – Paid vs. Financed and Paid vs. Plan

Repayment Rate *Paid vs. Financed*

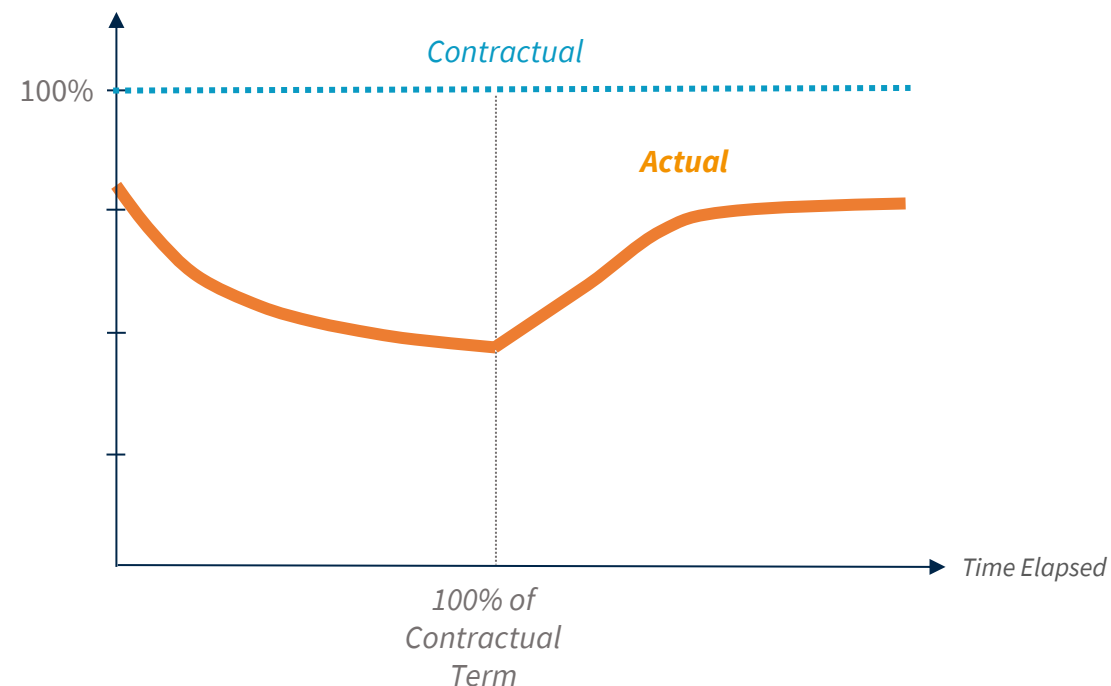
Single Cohort Performance Over Time



Good option for **high level analysis**: outcomes, trends, projections. Often preferred by analysts for intuitive, linear progress to final target. Requires less effort to calculate since the denominator is fixed for each contract across all points in time.

Repayment Rate *Paid vs. Plan*

Single Cohort Performance Over Time



Basis for **performance and operations management**.

2. REPAYMENT RATE | A core KPI with several important use cases

NEW STANDARD KPI

GOGLA

PRIMARY APPLICATIONS: **Portfolio Quality** **Net Portfolio Valuation**

- **Outcomes indicator.** Repayment Rates by 1x, 1.5x, 2x original contract term gives a reliable view of the realised payments and credit losses without having to defer to internal policies on when and how write-offs and defaults are recognized.
- **Early performance indicator.** By 90 days, the KPI is strongly correlated with future outcomes; adverse trends from recently onboarded customers can be spotted early and actioned.
- **Projections.** Highly correlated basis for estimating expected repayment and expected credit loss (crosschecks on Net Portfolio Value)
- **Portfolio analysis.** Can be analysed by other business or customer dimensions or external factors to identify & address issues and to highlight and replicate successful areas.
- **Practical customer-level insights.** Actionable and relatable to the real-world, as it expresses the degree to which customers adhere to payment plan due dates over time.

SECONDARY APPLICATIONS: **Bad Debt Expense** **Total Cost of Credit / Default**

- **Bad Debt Expense.** Default outcomes (write-offs) and expected future credit losses (change in provision level) flow to the P&L on this expense line. Repayment Rate information on historical outcomes (results @ 2x the contract term) and current outlook (cohort-based projections) can provide a sense check to the P&L actuals or projections.
- **Cost of Capital in Unit Economics.** The Repayment Rate at 1x, 1.5x, 2x+ gives insight into how long cash remains outstanding with customers compared to the contract terms. Assumptions on Unit Economics for Cost of Capital as part of overall cost of extending financing is more realistic when using this information (e.g. using average completion time of 1.4x the stated contract term versus assuming the CoC basis is the stated contract term).

Refer to the supplementary document “*Guidance for Company Analysis*” for details on how to use Repayment Rate for the primary applications listed here.



Definition: Measurement of Repayment Rate taken as at 2x of the contract term. Used as a proxy for PAYGo contract outcomes (total paid, total credit loss).

Purpose: Provides a fair basis and accurate metric for evaluation of payment outcomes of PAYGo contracts, independent of company-specific definitions, policies and practices as relates to final collected amount, default and write-offs.*

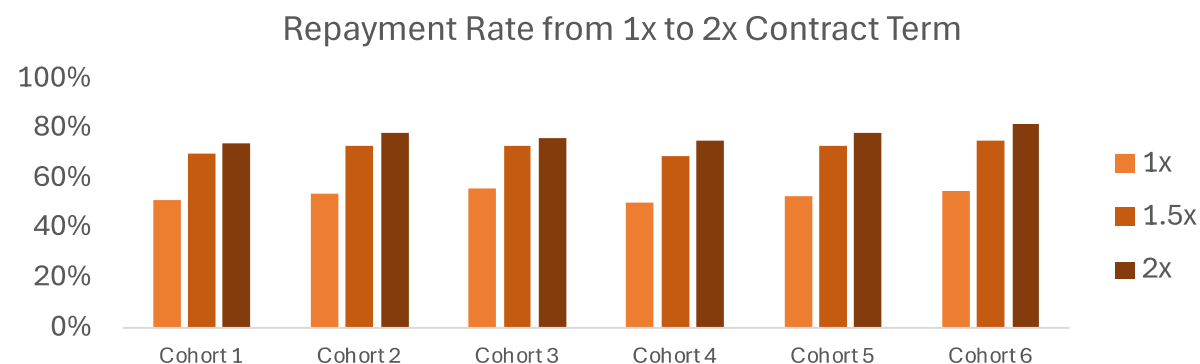
General formula:

*Data as of 2x original contract term**

$$\frac{\text{Payments applied to due instalments, net of prepayments}^{**}}{\text{Total amount financed OR due instalments per plan}^{***}}$$

excludes deposits – considers instalments only
**excludes any free introductory period*
***net of prepayments for future instalments not yet due*
****at 1x and beyond, PvP and PvFin figures are the same*

Example from Monitor report:



Straight-forward view of payment outcomes
2x the loan term provides a reasonable, comparable and common basis for evaluating outcomes in terms of total collected and total credit losses or default and supports both analysis of historical results and building solid projections.

*It may be valuable to review results to 3-4x in a given company analysis if significant payments are still being made at 2x.

2. REPAYMENT RATE | Results @ 2x contract term – General concepts

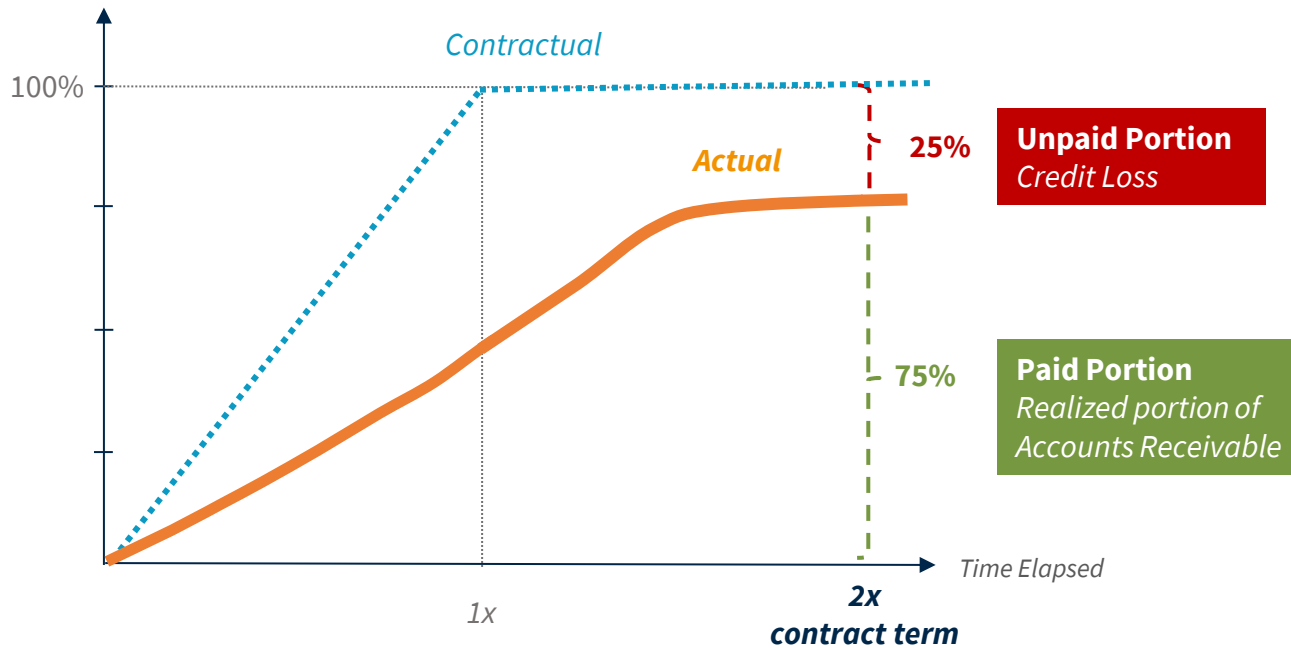
NEW STANDARD KPI



Flexibility is built into many PAYGo plans to accommodate customer cashflow variability. As a result, repayment tends to extend beyond the original contract term to 1.2x, 2x and beyond. Measurements 1x are valuable but don't give the full picture.

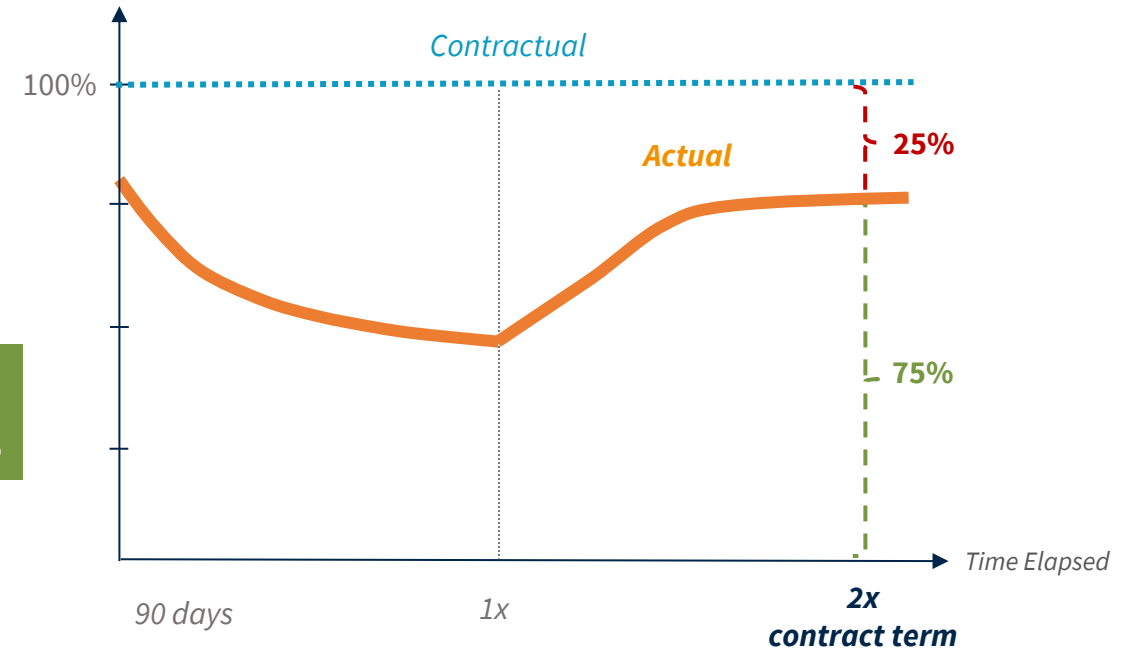
Repayment Rate (PvFin) Paid vs. Financed

Single Cohort Performance Curve Over Time



Repayment Rate (PvP) Paid vs. Plan

Single Cohort Performance Level Over Time



*It may be valuable to review results to 3-4x in a given company analysis if significant payments are still being made at 2x to better understand the dynamic. However, 2x is still suggested as the common cut-off for measurement.

Note: After 1x of the contract term, results for PvFin and PvP are the same. Total Due as per Plan is = Total Financed at this point.

Definition: Early indicator of repayment and portfolio quality, comparing the total instalment payments *applied* against the instalments *due* as of 90 days into the payment schedule. Excludes deposits and is *net of prepayments for future instalments*. 90 -ay period excludes 'free' introductory period.

Purpose: Captures how well customers adhered to the first months of their plan, which is highly correlated to final payment outcomes. Operationally, it enables response to underperformance as early as possible, measures the effectiveness of preventative strategies and practices, and supports better and faster decisions on the offer and early customer journey. For credit risk and financial analysis, provides an early insight on cohort performance vs. target outcomes.

General formula:
$$\frac{\text{Payments applied to instalments due as of 90 days, net of prepayments}^*}{\text{Total instalments due as of 90 days}^{**}}$$

excluding deposits – relates to instalments only
excludes 'free' introductory period throughout
**net of prepayments for future instalments not yet due*
***per contract payment plan*

Example from Monitor report:

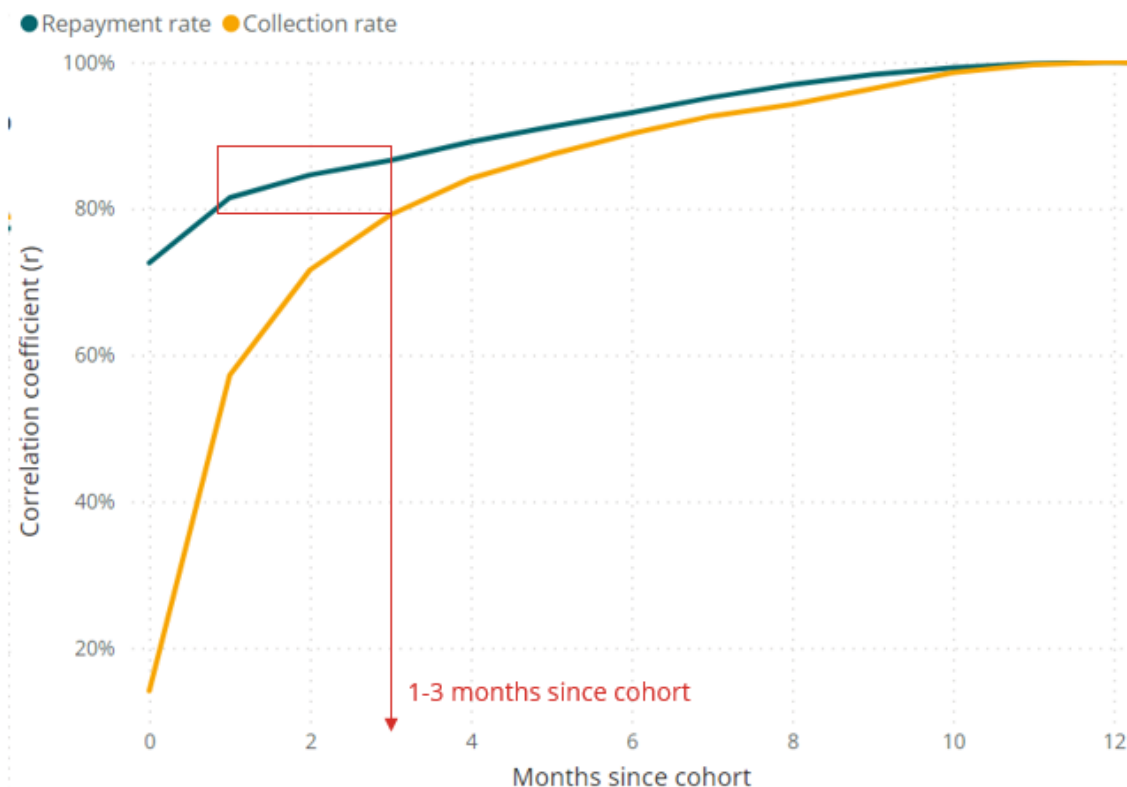


Fast insights, strong indications on trajectory
 High correlation to results by 90 days allows for intuitive interpretation of whether new cohorts are on track to performance benchmarks and final payment rate targets. Identifies hotspots early for faster remediation. Provides fast feedback loop on changes in underlying risk.

Correlation between repayment @90 days and @ 12 months

PAYGo PERFORM cohort analysis pilot

Months in cohort vs Repayment and Collection rate at month 12



A customer's payment behaviour in the first three months is a good predictor of their payment behaviour for the contract duration – especially when using Repayment Rate.

As seen in the analysis at left:

- **Repayment Rate is very strongly correlated to 12-month results** (80%+) by 30 to 90 days into the loan. It has strong correlation even within the first month (75%+).
- **Collection Rate is less correlated** than Repayment Rate by 30 to 90 days (70%+) and has *very weak correlation* within the first month (10% to 60%).

Note: These findings are useful indicative averages of the participating companies and period of analysis, but not predictive of or for any given company.

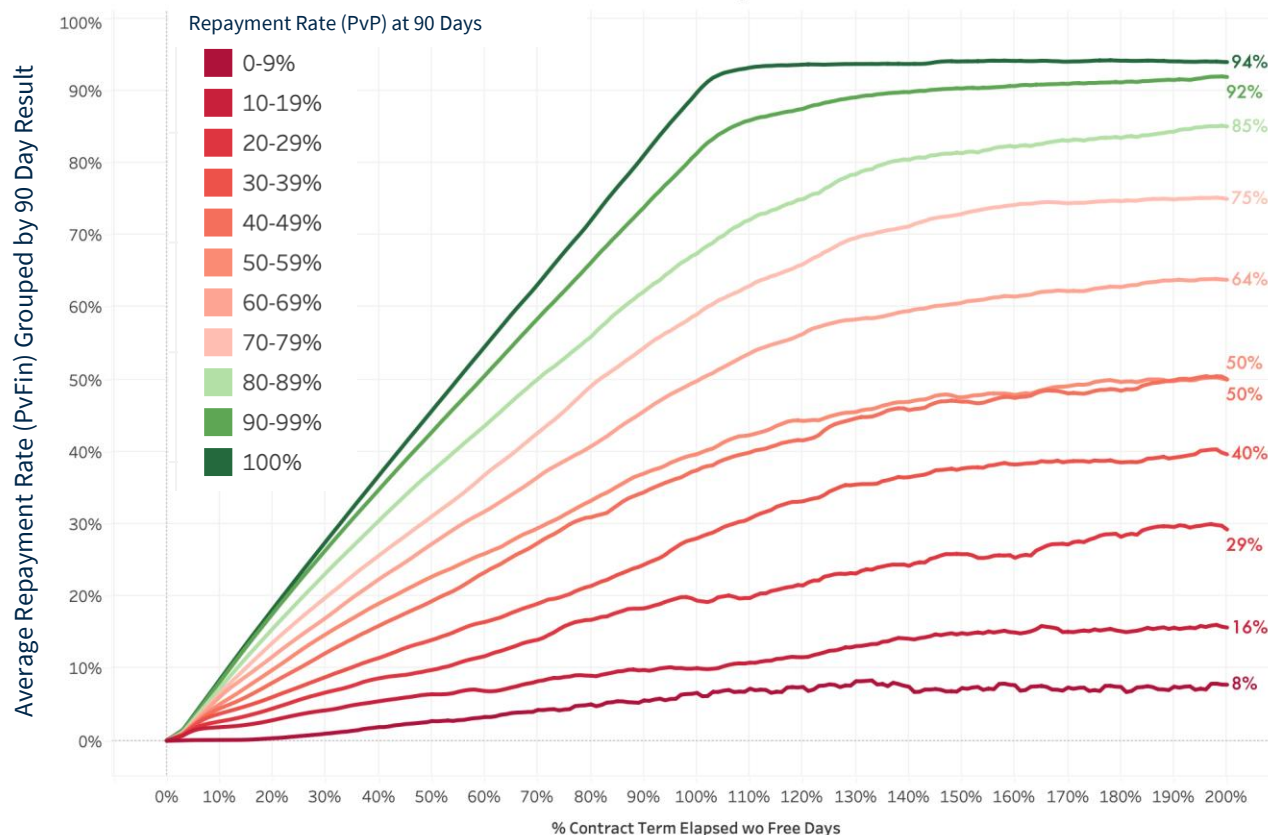
2. REPAYMENT RATE | Results @ 90 days – Relationship to Repayment Outcomes

NEW STANDARD KPI

GOGLA

Benchmarking performance range @ 90 days to outcomes @ 2x

Results at 90 Days (PvP) and Performance Curves (PvFin) to 2x contract term



Adapted from: PAYGo Lab data shared with GOGLA, Apr 2025.

Across companies and contexts, results at 90 days are highly consistent with repayment outcomes measured at 2x of the contract term.

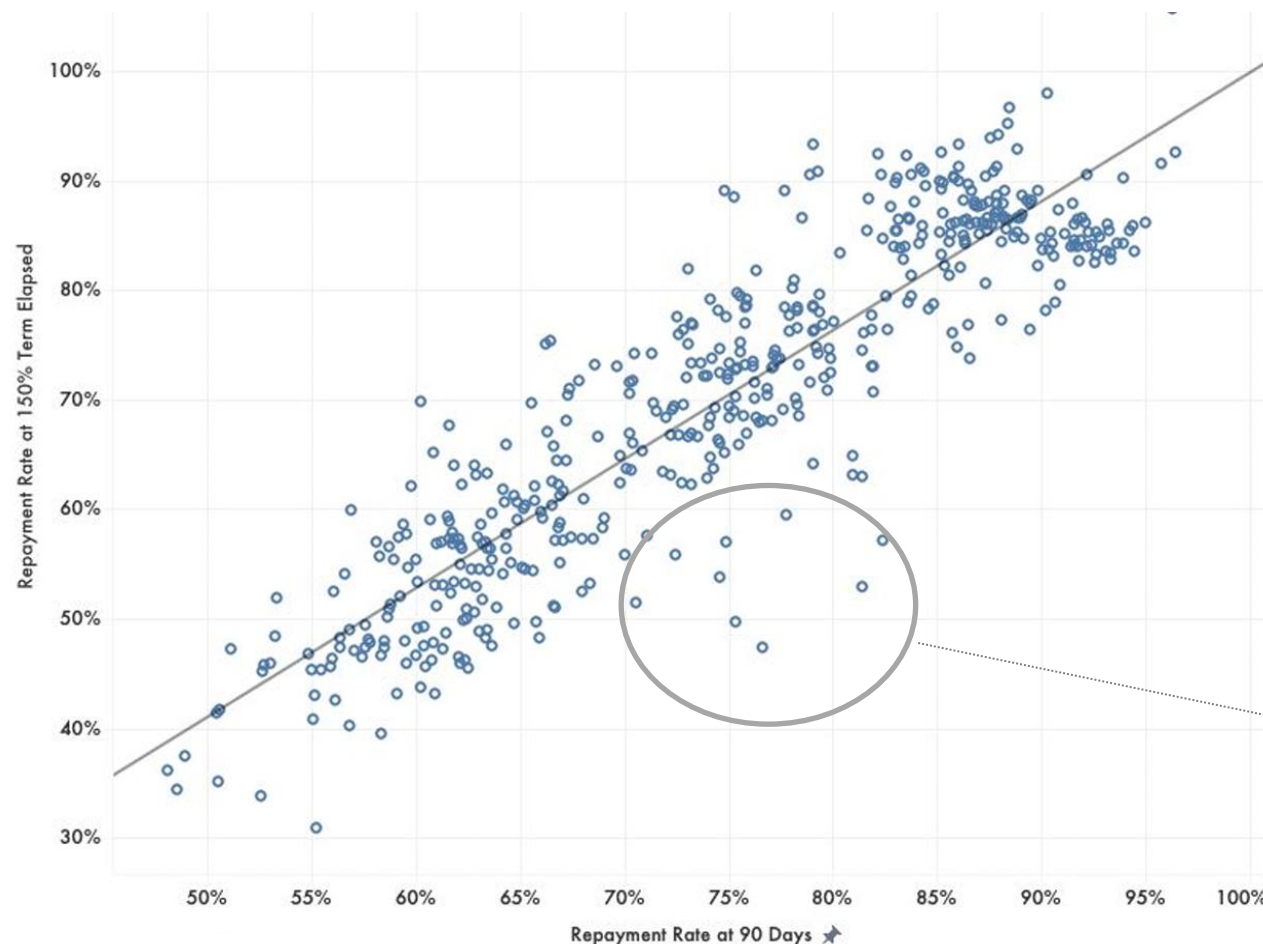
This strong relationship to final outcomes makes the **90-day metric a useful leading indicator** on credit risk and a practical, meaningful KPI for companies to incorporate into performance management systems and portfolio management escalation routines.

For example, final repayment outcomes for companies included in the dataset at left were +/- 6% of the result at 90 days. Performing this type of analysis at a company level can provide a strong basis for benchmarking and projections.

Note: These findings are useful indicative averages of the participating companies and period of analysis, but not predictive of or for any given company.

Scatter plot of results @ 90 days vs. outcomes @ 1.5x

Repayment Rate Results at 90 Days (PvP) and at 150% of Contract Term



The scatter plot at left provides details on the range of results from companies (at the level of a country firm) analysed by PAYGo Lab.

- One of the most important insights is that performance is fairly consistent, within given range.
- While there are some firms that perform better at 1.5x than at 90 days, we do not see firms turning around early underperformance to deliver top-tier results by 1.5x. Results above 85% at 1.5x were only achieved by firms who also achieved strong early Repayment Rates.
- The most extreme outliers tend to be *negative deviations* from the overall trend (examples highlighted at left).
- Results were taken at 1.5x instead of 2x in order to capture more firm-level data points.

Why 90 days? Balancing speed and reliability of insights.

- ❑ Later results (e.g. 120 days) are even more correlated to outcomes than 90 days but leave less room for corrective action.
- ❑ Earlier results (e.g. at 30 days) are useful for management to identify trend changes sooner so they can make decisions or corrective actions faster.
- ❑ However, for projections, results earlier than 90 days are significantly less reliable. Results before 90 days have a lower correlation to the final outcome.
- ❑ Importantly, very early Repayment Rate metrics can be artificially improved by prepayments made at the time of sale. Setting the benchmark at 90 days largely controls for this, as most customers can't afford to pay that far in advance.

Customer Ownership Rate

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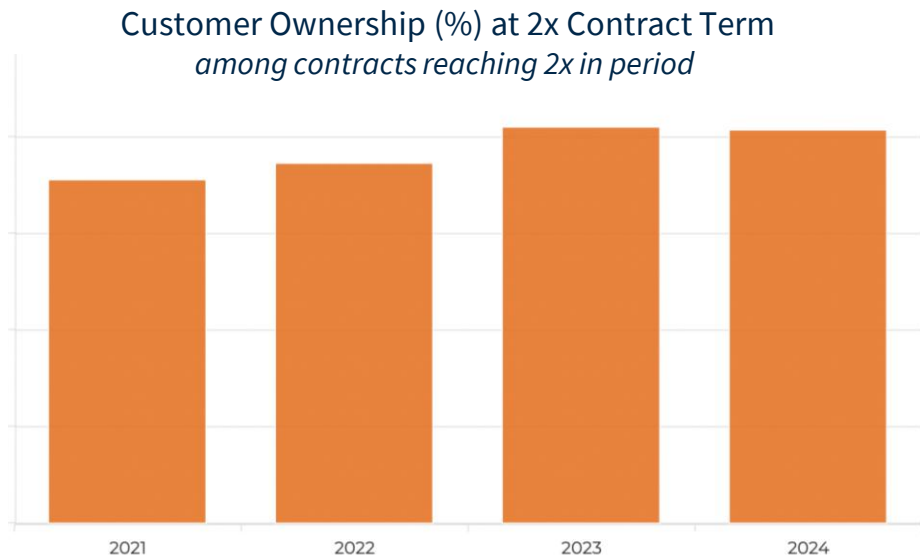
Definition: Expresses the proportion of contracts fulfilled (a.k.a. paid in full) by 2x of the original contract term.

Purpose: Provides a reasonable basis for evaluation of the proportion of customers who successfully complete their contracted payment plan and own the product outright, independent of company-specific definitions, policies and practices as relates to default, write-offs and formal or informal rescheduling of the payment plan.

General formula:
$$\frac{\text{Total number of accounts which have fully paid by 2x contract term}^*}{\text{Total number of accounts which have reached 2x contract term}^{**}}$$

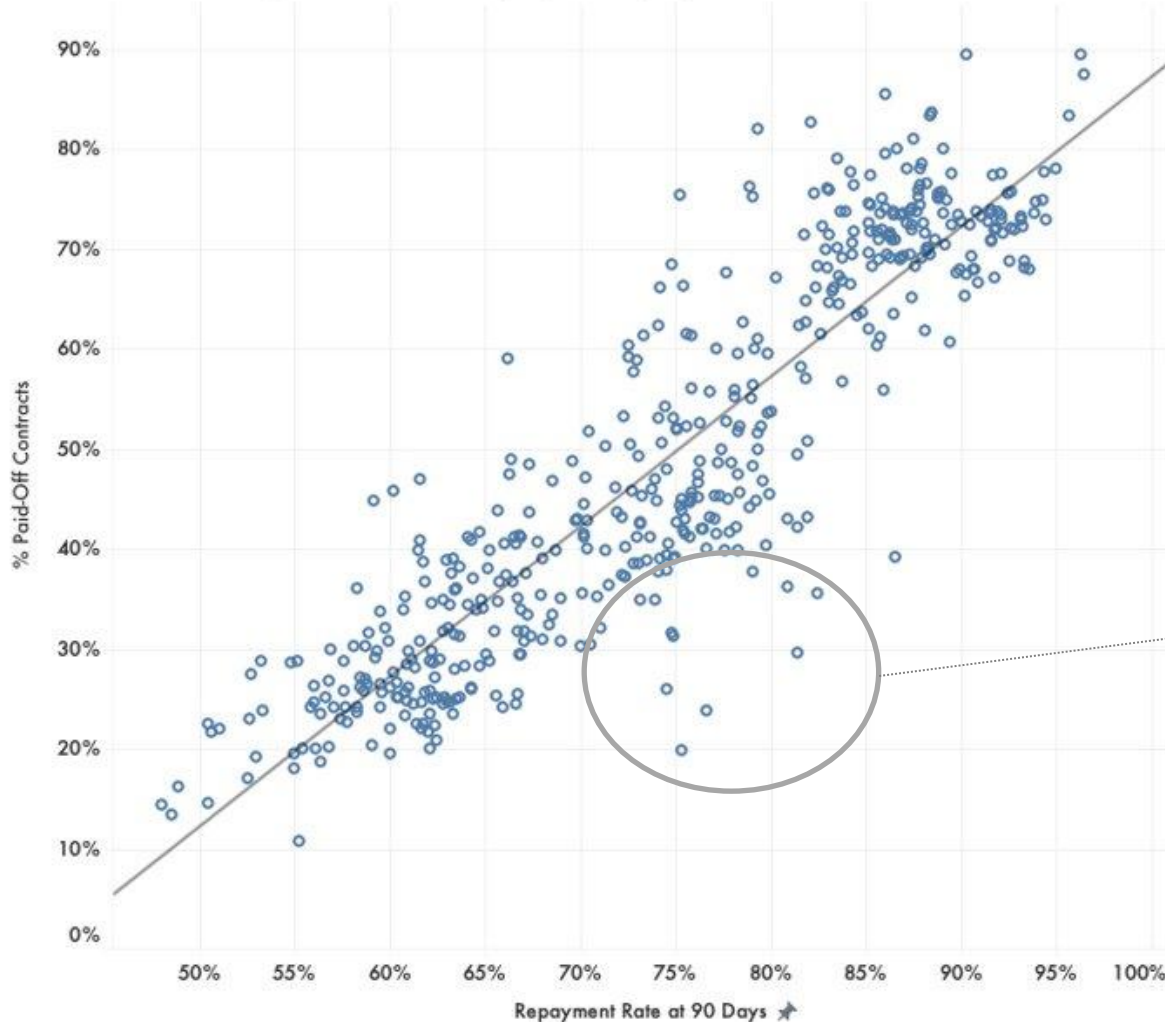
Currently collected and reported in PAYGo PERFORM Monitor as: Number of units that reached 2x the contract term during the period and that fully repaid

Example from Monitor report:



*Customer ownership is a critical social impact issue. In company analysis, it's also a marker of **product-market fit, business model health and long-term viability**. It speaks to the realization of Customer Lifetime Value and potential for further revenue through repeat sales and up-selling at a lower Cost of Sale and Cost of Credit than new customers.*

Customer Ownership Rate at 150% Contractual Term Elapsed vs. PvP at 90 DoB
Each bubble is a monthly cohort from a company "country operation"



Relationship between Repayment Rate @ 90 days and longer-term Customer Ownership Outcome

- The scatter plot analysis at left by PAYGo Lab further underscores the importance of early repayment performance in driving positive results for customers, companies and investors in terms of Customer Ownership Rates.
- The key takeaway: strong repayment early on corresponds to high ownership outcomes, and vice versa.
- While there is some variability in results across firms, that variability is limited.
- Some of the most extreme outliers are in fact worse results than the general trend
- A noteworthy insight: among the firms which had Repayment Rates of <70% at 90 days, none were able to achieve Customer Ownership Rates above 60% by 1.5x the contract term.
- The results at 2x may differ slightly – measurement was taken at 1.5x in order to include more firm results.

Let's work together!

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