

This document includes draft KPI definitions that are being prepared for pilot in October

Quick Reference Guide for the PAYGo PERFORM Indicators

Portfolio Quality Indicator	Definition	Calculation
Collection Rate	Ratio of all collected receivables payments over total receivables payments due for a period (does not include deposits).	<i>(Value of Total Receivables Collected Over Period [X]) / (Total Customer Payments Due Over Period [X])</i>
Write-off Ratio	The sum of the remaining payments of receivables streams that have been terminated over the sum of the remaining payments of the receivables streams for the entire portfolio.	<i>(Value of Receivables Payments Outstanding for Contracts Written-off Over Period [X]) / (Average Value of Total Receivables Outstanding Over Period [X])</i>
Repossession Ratio	Ratio of repossessed units that will be redeployed over total installed units.	<i>(Units Repossessed for Redeployment Over Period [X]) / (Average Total Installed Units Over Period [X])</i>
Receivables at Risk (RAR)	Identifies risky proportion of receivables portfolio. Two options are currently being considered by the working group to calculate RAR:	<ol style="list-style-type: none"> <i>(Remaining Value of Outstanding Receivables Streams Which Have Not Paid Over Period [X]) / (Value of Total Future Receivables Due)</i> <i>(Remaining Value of Outstanding Receivables Streams for Which Collection Rate is Less than [Y]% Over Period [X]) / (Value of Total Future Receivables Due)</i>
Average Credit Period	Average nominal number of days between system acquisition and expected final payment. Carried over from KPIs 1.0.	<i>Sum Over Units of (Expected Final Payment Date - System Acquisition Date [Days]) / (Total # of Active [Units]).</i>
Effective Credit Period	Effective length of time taken for an average customer to pay off their solar device.	<i>(Average Credit Period) / (Collection Rate)</i>
Average Receivables Portfolio Size	Average value in USD of the company's outstanding receivables streams over the period of measure (e.g. last twelve months or calendar year).	<i>[Time-Weighted] Average of Receivables Portfolio in USD Over Period [X]</i>
Receivables Portfolio Growth Rate	Annual growth rate of Average Receivables Portfolio Size.	<i>1 - (Average Receivables Portfolio Size [T]) / (Average Receivables Portfolio Size [T-1])</i>

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Unit Economics Indicator	Definition	Calculation
Total Cashflow from Customers	Refers to the total cashflow received from customers – including customer deposits and follow-on payments.	<i>The sum of customer deposits and follow-on payments received from all customers over a period of time</i>
Total Cashflow from Customers as % of Total Revenue	Sum of total cashflow received from customers (deposits and follow-on payments) as a proportion of total revenue for the firm. Two options are currently considered by the Unit Economics Working Group to calculate Total Cashflow from Customers as a % of Total Revenue:	<ol style="list-style-type: none"> <i>1. Total cash payments received (including deposits and follow-on payments) / Total Revenue.</i> <i>2. (Total Cashflow from Customers) / (Total Revenue)</i>
Total Contribution Margin	The total profit based on variable costs for the PAYGo firm as a proportion of the total revenue generated.	<i>(Total Revenue – Variable Costs) / (Total Revenue)</i>
Total EBT Margin	The total profit after taking into account all costs (variable and fixed) for the PAYGo firm as a proportion of the total revenue generated.	<i>(Total Revenue – Variable Costs – Fixed Costs) / (Total Revenue)</i>
Total Overhead Cost as % of Total Cashflow from Customers	Sum of all fixed costs (Marketing, Sales, etc.) of a PAYGo firm divided by total cashflow received from customers.	<i>(Total Fixed Costs [Marketing, Sales, etc.]) / (Total Cashflow from Customers)</i>
Total Receivables Generated	Total Receivables that a PAYGo firm has booked over a specified time period.	<i>Total Receivables for a specified time period</i>
Unit Follow On Payments	Sum of contractual follow on payments until system is permanently unlocked, net of customer deposits, per unit sold. The Unit Economics Working Group is currently considering two options for calculation:	<ol style="list-style-type: none"> <i>1. (Sum of the contractual follow on payments) / (Total Units Sold)</i> <i>2. PAYGo firms can provide the contractual follow on payments and their corresponding discount rate, so that the investor can make the PV calculation, if needed.</i>
Unit Total Payments	Sum of contractual customer deposits and follow on contractual payments per unit sold.	<i>((Total contractual deposits) / (Total Units Sold)) + (Unit Follow On Payments)</i>
Unit Credit Cost	The contractual follow on payments that will not be recognized due to write offs on a per unit basis.	<i>(Unit Follow On Payments) * (Write-off Ratio)</i>
Unit Device Cost	The total cost of the device inclusive of hardware, transportation (to the warehouse), import taxes & duties, and stock insurance per unit sold.	<i>(Sum of (Cost of hardware, transportation cost (to the warehouse), import taxes and duties, stock insurance)) / (Total Units Sold)</i>
Unit Sales & Distribution Cost	The total cost of installing the device at the customer site, transportation cost (from warehouse to customer) per unit sold.	<i>(Sum of (installation cost, commission for sales agent and transportation cost to the customer site)) / (Total Units Sold)</i>
Unit Servicing and Maintenance Cost	The total cost of servicing a customer (i.e. collection of payments, customer service) and providing maintenance of installed units.	<i>((Sum of (total servicing costs and maintenance costs) per month) * (Effective Credit Period)) / (Total Active Units)</i>
Unit Contribution Margin	The average profit based on variable costs on a unit basis for a particular product.	<i>(Sum of (Customer Deposits and Follow On Contractual Payments) – Sum of (Credit Cost, Device Cost, Sales & Distribution Cost, and Servicing & Maintenance Cost)) / (Total Units Sold)</i>

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Company Indicator	Definition	Calculation
Sales Model	Sales model expressed as a percentage (0-100%) of revenue per sales model. The models identified are Cash and PAYGo.	<i>(Revenue generated per individual sales model) / (Total Revenue)</i>
Sales Distribution Model	Sales distribution model expressed as a percentage (0-100%) of revenue per sales distribution model. The sales distribution models identified are (1) Direct PAYGo via Partners, (2) B2B, (3)B2C.	<i>(Revenue generated per individual sales distribution model) / (Total Revenue)</i>
Geographical Area	Geographical areas expressed as a percentage (0-100%) of revenue share per geographical area including (1) East Africa, (2) West Africa, (3) Southern Africa, (4) South Asia (except India) (5) India, (6) Southeast Asia, (7) South/Central America, and (8) Other.	<i>(Revenue generated per individual geographical area) / (Total Revenue)</i>
Total Net Sales	Net total number of units sold from the business's start of operations.	<i>All sales units discounted by returns & repossession measured from the business's start of operations</i>

Performance Indicator	Definition	Calculation
Average Selling Price	Average price of all systems sold for each of the sales models adopted (PAYGo and Cash sales).	<i>(Sum of sales revenue) / (Number of systems sold)</i>
Sales per Distribution Channel	Sales per distribution channel represented as a percentage of the total units sold. Agents (%), Wholesalers (%), Shops (%) and/or Other (%).	Calculation for each individual distribution channel: <i>(Number of units sold of individual distribution channel) / (Total number of units sold)</i>
Sales Points Rate	Fraction of sales points that have gone inactive over the previous 90 days, grouped by distribution channel – Agents (%), Wholesalers (%), Shops (%) and/or Other (%).	<i>(Sales points inactive over the previous 90 days per individual sales point) / (Total Sales Points)</i>
Net Promoter Score (NPS)	Measure the loyalty that exists between a provider and a consumer. Typically, the NPS is calculated based on responses to the question 'how likely is it that you would recommend our product/service to your networks?' The scoring for this answer is most often based on a 0 to 10 scale.	<i>(Total scores of participated customers) / (Total participated customers)</i>