

February 14, 2024

National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor
Plot No: C/1, G Block
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051

Dear Sir/Madam,

Sub: Call transcript of Investor/Analyst conference call under regulation 30(6) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Ref: NSE Symbol: MATRIMONY

Pursuant to Regulation 30(6) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the call transcript of Investor/Analyst Conference call with the Company held on 09th February 2024 is attached herewith.

The aforesaid information is also being hosted on the website of the Company viz., www.matrimony.com.

Submitted for your information and records.

Thanking you

Yours faithfully,

For **Matrimony.com Limited**

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matrimony.com

“Matrimony.com Q3 FY24 Earnings Conference Call”

February 09, 2024

matrimony.com

 **ICICI Securities**



MANAGEMENT: **MR. MURUGAVEL JANAKIRAMAN –MANAGING
DIRECTOR AND CEO, MATRIMONY.COM LIMITED
MR. SUSHANTH PAI – CHIEF FINANCIAL OFFICER,
MATRIMONY.COM LIMITED**

MODERATORS: **MR. PRADYUT GANESH – ICICI SECURITIES**

Moderator: Ladies and gentlemen, good day and welcome to the Matrimony.com Q3 FY '24 Earnings Conference Call hosted by ICICI Securities.

As a reminder, all participants' lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Pradyut Ganesh from ICICI Securities. Thank you, and over to you, sir.

Pradyut Ganesh: Good evening, everyone. On behalf of ICICI Securities, I would like to welcome all of you to the Q3 FY '24 Earnings Conference Call of Matrimony.com.

From the Company, we have Mr. Murugavel Janakiraman – MD and CEO; and Mr. Sushanth Pai – the CFO.

Over to you, Mr. Murugavel, for his "Opening Remarks". Thank you, sir.

Murugavel Janakiraman: Thank you so much. Good evening everyone.

In Q3, on a consolidated basis, we achieved a billing of Rs. 116.2 crores, a decline of 0.8% quarter-over-quarter and a growth of 4.3% year-on-year. A revenue of Rs. 117.3 crores, a decline of 3.6% quarter-over-quarter and a growth of 6.2% year-on-year.

The "Key Highlights" for the "Matchmaking Business" are as follows:

Billing at Rs. 114.1 crores, a decline of 0.7% quarter-over-quarter and a growth of 5.3% year-on-year. Billing at Rs. 114.9 crores, a decline of 3.5% quarter-over-quarter and a growth of 6.7% year-on-year. We have added Rs. 2.6 lakhs paid subscription during the quarter, a growth of 1.4% quarter-over-quarter and 10.8% year-on-year.

Average transaction value for the Matchmaking business decreased by 2% quarter-over-quarter and 4.7% year-on-year. It is in line with our customer acquisition strategy.

I am happy to share that we have launched a 'Safe Matrimony' campaign aimed at increasing awareness about online frauds, with actor Vidya Balan, as the face of this campaign.

Now coming to the "Marriage Services business":

The revenue was Rs. 2.3 crores, a decline of 5% quarter-over-quarter and 11.7% year-on-year. Our EBITDA losses in the quarter was Rs. 2.1 crores, down from Rs. 2.7 crores in quarter 2 and Rs. 3.1 crores a year ago.

On the billing, the revenue outlook for quarter 4, the matchmaking revenue year-on-year growth is expected to be in the similar levels of growth achieved in Quarter 3. On wedding services, revenue and losses are expected to be in the similar levels of Q3.

Now let me pass on to Sushanth to comment on the key profitability highlights.

Sushanth Pai:

Thanks Muruga.

Our EBITDA margin for the Matchmaking business in Q3 is at 18.9% as compared to 21.3% in quarter 2 and 17.8% a year ago. Marketing expenses are at Rs. 45.5 crores as compared to 46 crores in Q2. Excluding marketing expenses, our margins in matchmaking is stable at 59%.

On a consolidated basis, our EBITDA margins in Q3 are at 14.3% as compared to 15.1% in quarter 2 and 15.9% a year ago. In Q3 of last year, we had a one-time gain on land sale of 5.8 crores. So, that one-time gain is not there in this quarter.

Tax rate in the quarter is at 22.8% as compared to 24% in quarter 2. PAT is at Rs. 11.1 crores, a decline of 11.3% quarter-on-quarter and 4.3% year-on-year. The share of profit from Astro-Vision, our associate Company, was marginal. Return on capital employed annualized is at about 13.6% as compared to 17% in quarter 2. Our cash balance is at about Rs. 346 crores. On the outlook for Q4 margins, our PAT in Q4 is expected to be at similar levels of Q3.

I would like to end with a customary safe harbor statement. Certain statements during this call could be forward-looking statements on our business. These involve a number of risks and uncertainties that could cause the actual results to differ materially from such forward-looking statements. We do not undertake to update any such forward-looking statements that may be made from time to time by or on behalf of the Company unless it is required by law.

So, we can now start the Q&A. Over to you.

Moderator:

Thank you. Ladies and gentlemen, we will now begin with the question-and-answer session. The first question is on the line of Ayush Vimal from Clearview Capital. Please go ahead.

Ayush Vimal:

Sir, in the quarter 1 call, you had articulated your vision to reach a 1,000 crores top line in the next 5 years, which basically implies a 15% growth rate. Now, I just wanted to check, given the competitive intensity that exists currently, what gives you the confidence that you will be able to surpass the 6-7% growth that we have achieved over the last 3 to 4 years to go to 15%? Is there a change in strategy from our end? Are we entering new geographies or trying to further penetrate within the South India Geography? What is it different that we are going to do over the next 4, 5 years that gives us this confidence?

Murugavel Janakiraman:

So, definitely that's a goal and that's a vision. So, definitely it's a combination of growing the existing business. So, today, the business has been growing around between 6% to 8%. So, we are taking steps to move to double-digit growth in the existing business, which we are already in. So, we are taking various initiatives, various steps, and so we are at the current level of

percentage of growth and hope in the coming year, we could be able to move to the growth on the existing business possibly.

We are also working at launching new initiatives, which includes luv.com, which we already spoke, which we are working on it. Like that we are looking at some new initiatives, the combination of existing initiatives and new initiatives. We hope we could be able to accelerate the growth and get to the 1,000-crores revenue in the next 5 years or so. So, looking at quarter 4, the quarter 4 probably the matchmaking business, we may get into that 500 crores run rate only on the matchmaking business.

Today, one of the things that we have taken on wedding services business is to first to achieve profitability while that you are able to bring down the cost and we need to get to the breakeven level. Then we have ideas to execute to target the growth in the wedding services business. But at this point in time, the first and foremost focus is in wedding services to get to the breakeven level, then work on the ideas which you have to target growth.

So, to sum it up, basically the growth from the existing business and the steps we are taking are new initiatives within the existing business to target the growth plus the new initiatives. All these things we believe can help us to go to better growth in the coming years.

Ayush Vimal:

I just have one more question. Sir, we have seen that the competitive intensity has increased significantly after FY '19. I just wanted to understand the regional dynamics at play here. Was it that our competitors who are primarily North and West-based were trying to enter our South India market where we have a strong hold or was it us who was actually looking to grow by entering into the North and West market? Which of the two forces was more dominant in increasing the competitive intensity?

Murugavel Janakiraman:

The competitive intensity is more on the marketing spend, the market is growing at only a certain percentage. It is more of the increased marketing spend net net. Has it benefited anyone? This is not the case. So, compared to the yearly run rate of market spend, every player of the market is spending Has it helped anyone? No, it is not the case. Look at Jeevansathi. They spend a lot of money on marketing. Net-net is not added to any growth in their revenue.

So, that way it is more of the profile acquisition and only growing at a certain percentage. While we launched Jodi and now we are looking at launching luv.com. So, the increasing competition intensity, in my view, is more on the marketing side. Are more players trying to enter different markets. But as it really happens, in my view, it is not the case. And while we are already present in the North Indian market and it is not that we have a dominance only in South India, But we are also leader in the Western market, and also one of the leaders in the Northern market.

So, overall the market dynamics, has anything changed? Nothing has changed in terms of the overall dynamics of the market, overall the mix of the penetrations in the various market. Yes, here and there some percentage movement has happened, where you could have gained some market, some market without here and there some percentage loss in some market.

But overall, in my view, the mix of things has not changed. The only thing, what I have also seen is that the small players probably even in my view sort of fizzling out or they are no more at the level of competitive intensity, they used to operate at the region level. So, some of the regional players like ABP group in the eastern market,. You see that they have completely stopped their marketing spend as well. It's the same as what you have seen in the number three player as they reduced the marketing spend substantially, , but still the number two player still continue to invest in marketing.

So, this makes us spend substantially on marketing. While we spend on marketing, yes, definitely move to the profitability, but still we need to work on the top-end growth in terms of either driving the profile, the value in conversion either in the existing line of business or you have to get into the adjacent line of business. Yes, we are working on various initiatives.

So, basically, to answer your question, the marketing spend has not changed the market dynamics basically while the people are not trying to enter different, different market, but net net, yes, some percent gain here and there. Nothing much has happened.

Moderator: Thank you. The next question is on the line of Maan Vardhan Baid from Laurel Advisory Services Private Limited. Please go ahead.

Maan Vardhan Baid: Not just this quarter, just looking back over the last few years for the business and the Company, one feels that with the buyback, the generous buyback that you did and the quantum of the buyback and the cash that is sitting on the books, one is kind of puzzled at whether staying listed is required for the Company. So, I am just curious, has the board, has the management contemplated delisting the business and sort of generating more value for itself out of that activity?

Murugavel Janakiraman: No, we continue to focus on driving the business and drive the growth. So, in fact, this year, the profit could have been better if not for Google issue which happened in the beginning of the year. So, otherwise, even this quarter, the profit margin would have been a few hundred basis points and would have moved up the profit. While we have at this point of time the growth has been 6 to 8% we continue to take steps to drive the growth, to continue to drive the business, launch new initiatives. So, I think we are focused on driving and growing the business.

Maan Vardhan Baid: And sort of just to take this a step further and to sort of, I mean, over the last 4-5 years that we have owned this business, creating shareholder value has been a challenge. So, I am just wondering if what are the ways that you can and that is delisting obviously is one of them and I am just curious whether as a board, have you discussed it or not?

Murugavel Janakiraman: No, we have not discussed. So, we are just focusing on the growing the business.

Moderator: Thank you. The next question is from the line of Kaustav Bubna from BMSPL Capital. Please go ahead.

Kaustav Bubna: So, just wanted to understand how much percentage of your revenues currently is non-matchmaking, so new initiatives and how much percentage of this revenue do you expect it to change to 3 to 5 years down the line? So, how much percentage of your total revenues will be non-matchmaking 3 to 5 years down the line? And could you just explain how you plan to grow this non-matchmaking piece? Like, will it be married services plus luv.com, when I say matrimonial, I don't include luv.com, so that the dating part of it. So, could you just explain your move to, do you plan to diversify your revenue base, how you are going to go about this, et cetera?

Murugavel Janakiraman: So, today we look at the matchmaking business or wedding services business, it's around 4%. So, may be 5 years down the line, in fact, the plan was to take it to an even 10%. So, at this point of time, we want to get to the break even before we invest further on wedding services business, but LUV will be part of the matchmaking business because for us, LUV is not a dating, basically it helps people to find meaningful love. So, it's another way of helping people to find a life partner. So, we don't consider the dating service while one may say so. So, that way for us, love will be still part of the matchmaking business. It's not matrimonial but it's called matrimony.

The other services where we are looking at some initiatives that may constitute part of wedding services. So, apart from luv.com, we may look at launching a new initiative to drive growth. So, five years down the line, can the wedding services business contribute 10%? Yes, that is a possibility.

Kaustav Bubna: So, what's your plan on luv.com? Have you come up with any more updates that you would like to inform us with?

Murugavel Janakiraman: Yes, we are just working on it. We are working on it. Probably, we hope that before the end of either this financial year or early April sometime will be able to launch it. So, it looks like maybe April 14, because looks like, because that's our 24th Anniversary. So, probably we'll launch on that day, possibly.

Moderator: Thank you. The next question is on the line of Niraj Kamtekar from Prospero Tree. Please go ahead.

Niraj Kamtekar: Sir, my first question is that now more and more people are, rather than getting marriage, arranged marriage, the people are engaged the other way also, the love marriage or other way. Is it not a biggest threat to our business?

Murugavel Janakiraman: we do see that as a threat, but the matrimony continue to be there, and considering the cultural nuance of India and the cultural connect, we don't see anything because in the last 24 years, not even seen a single year where the matrimony business has gone down year-on-year, except during COVID time, while in fact, COVID time, you had a good increase in profiles, but the revenue had an impact. Leave alone that one year, we never had even the degrowth in the matrimony business. So, it's been 24 years of continued growth, but the growth percentage vary, it depends on year to year.

So, luv.com, yes, there are people who like to fall in love. Millions of Indians aspire to fall in love. So, considering that there are people who want to fall in love to get married or fall in love, they want to explore before they decide to get married or not. So, that's the reason we are launching luv.com. So, luv.com, we launched it a couple of months. So, we will cater to that segment of the opportunity where people don't want to come to matrimony site and to get married. So, they want to explore, and when they decide to get married or so later. So, that's the reason we are getting into that space as well.

Niraj Kamtekar: So, you don't consider that the reduction in the ratio of arranged marriage is not a threat to matrimony. Is it correct?

Murugavel Janakiraman: Yes, see because matrimony is not arranged marriage. Look at Matrimony.com today, 70% of the profiles are created by individuals. I got married through my own service. I don't consider it as an arranged marriage. It was me one who had a conversation. I felt I arranged my own marriage. So, I don't consider it. I feel kind of feeling of I contacted I decided with whom I want to get married. So, it gives the people that, okay, they are in control over whom they want to get married to. It's not arranged marriage, what people really think. Arranged marriage means, okay, parents are arranging. It's not the case. Within our platform, youngsters are arranging their own marriage. So, that's why the matrimony thing to be seen.

Again, you are talking about 70% of the profiles are created by individuals. So, there is some perception, okay, matrimony means it's arranged by parent. No, it's largely done by youngsters. But yes, around 15% of the profiles are created by parents. There are also some by siblings. So, it's collaborative matchmaking. Yes, it doesn't matter whether youngsters are creating a profile or individuals are creating a profile. In some states, parents do get involved because the good thing about the Indian matrimony thing is that it's a collective involvement and that's the beauty of our Indian marriage. So, family matrimony is facilitated effectively. So, we don't think that love or, yes, while they go under this thing, but this form of thing continues going to grow only.

Niraj Kamtekar: Yes, but sir, our number of subscribers are not increasing in the same manner. It is around the same numbers are since last few quarters. So, what are the action planned by Matrimony to increase the number of subscribers?

Murugavel Janakiraman: Yes, so we definitely we are today almost talking about 2.6 lakhs of subscriptions on a quarterly basis. It's more than a million on an annual basis. A couple of years before there would be around 800,000, moved to 900,000, now touching one million, now getting to 1.2 million. Yes, the endeavor, the plan is to accelerate that conversion, convert a free member to paid member. So, these are some of the challenges we have seen that's reflecting in our research as well, that we are growing at only at a 6 to 8%, where the goal is to target double-digit growth. Yes, the ongoing efforts to continue, fine tune our product, continue to improve, or work on o launching our new initiatives, all these factors were even helping us to grow certain things, but we need to further step up our the executions or maybe launch of new initiatives. So, yes, we are taking steps, but it's still yet to reflect in our research actually.

Niraj Kamtekar: Because we are spending a lot of money on the advertisement, and also we are not getting the number of subscriber are not increasing, because we are spending almost Rs. 46 crores per quarter on advertisement and business promotion. But the numbers are static, almost static, not 2.6 lakhs are the constant, the same numbers are there. So, what are the other plans we are taking to increase the number of subscribers?

Murugavel Janakiraman: So, you are right in terms of marketing spend. Actually as I said many times, actually increased marketing spend was actually not required for the category of this category or in terms of the revenue side. Today, in a way, we are forced to increase the marketing spend, as I said in the last call, probably the couple of calls before or many times in the past as well. Look at the category marketing spend in five years ago; it was only 100 crores. And now it has almost touched 400 crores.

So, as I said, has it increased any dynamics of the category? No. It's a more of every player have stepped up marketing, hoping to aim the marketing share from other players. That did not happen net-net. But today, yes, as a leader, we have to step our marketing spend when others are increasing marketing spend, because if we don't do that, that may have an impact on our long-term leadership in the market. So, that's why we have to increase the marketing spend.

So, in terms of growth, yes, the growth has to come from better execution or maybe launching new initiatives or new product, which you continue to do. So, we are like launching jodi.com. We are now looking at launching luv.com. So, these are some of the things we are doing to drive the growth, while continue to figure out ways of driving the conversion, the free to paid profile in the existing business as well. Yes. So, this category on current, this base is growing at certain percent in terms of profiles and the conversion growing while remaining at same percentage. The growth was largely driven by some of the initiatives also.

Niraj Kamtekar: Sir, our marriage services, the wedding service segment is making a loss. That's good. That's okay. But, sir, event management is a very growing business all over the India and people are spending lot of money on the wedding. Why is this segment not growing for the matrimony?

Murugavel Janakiraman: Yes. That's the thing. See, interestingly, this category, wedding services, there are multiple service providers who are part of the wedding services. They look at where the people need help. People need help in some of the categories. while the largest spend on wedding is jewellery, do people need any help on the platform? That's not required., Some of the things are probably integrated. When you go to a place, everything is offered by one single player. So, some of the category where it's completely non-branded, like talking services like say photography or makeup parties or Mehendi, where it's a non-branded player where people may need help from the brand to identify a service provider.

It's a bit of jewelry or apparel, other things. Well, definitely, venue is one of the categories. We see that there is an opportunity as well. So, yes, we are also understanding that, okay, the customer need help in this category where you can monetize. These are small say photography, makeup parties, obviously, it's not that there's a lot of money going on that category. The money

going on caterers, venue and all. And venue and all, we are not in a full-service provider. We are only the platform's generating lead for the mandap. So, yes, it's a category.

There is an opportunity in some other segments where you have to get into a full service, or you have to get a value of the service where you have to play differently. So, at this point, we are just focusing on getting the base platform ready where you want to put someone to use this platform to get some other service, like a mandap or photo or other things. Also, get the base business model, and then we can figure out how we can add value. In the process, we can get a share of some wallet all the things So, yes, well, that opportunity is there in terms of wedding is a big category in all the things, at this point of time we are just focusing on getting the base platform right and still yet to figure out how we can get the share of the wedding expense. So, yes, that's we have not figured it out or yet to work on it. I'll put it either way.

Niraj Kamtekar: So, sir, when that segment will achieve the breakeven because we are losing the money on that segment? Our revenue is less than our segment result. So, we are incurring more money to get some revenue.

Murugavel Janakiraman: Yes. So, I think that we are definitely able to bring the cost. In fact, the plan was to make it happen soon. I think definitely sometime next year we should achieve a breakeven actually on the current form and factor.

Niraj Kamtekar: And sir, our core business, if we exclude the other income from the top line, then our core business is making only the PBT level margin is only 6 to 7%. A Company well established, online presence, having many websites and so many persons or so many subscribers is making a 7% PBT. I think it should not be the at least a double-digit PBT level.

Murugavel Janakiraman: Yes, definitely. Look, as I told you this year, it's because of the Google, you may know that the Google, tax issue, which we have been fighting Google early this year started charging all the companies globally and in India, offering business services, asking companies to either adopt Google billing payment system, pay 15% on app revenue or 11% revenue if you use other payment gateway. Literally Google wants to tax companies. So, this has really affected our profit margin this year, because as I told, if not for the Google billing tax our profit margin every quarter would have been a little few hundred basis points .

Niraj Kamtekar: But are the Google charging to all online companies or only to the Matrimony?

Murugavel Janakiraman: No, those companies who are providing digital services that include the content like matrimony companies or dating companies, companies offering digital content like the media companies and gaming companies, which excludes the companies offering e-commerce companies or food delivery companies. So, in fact, given the order also say that Google has been obviously the monopoly. That's the case we have been fighting also. So, this is something like, globally it's been happening. Many companies across the world is fighting. We are also raising our voice. How is it going to affect the Indian companies, startup ecosystem, how government going to lose revenue because of this, it's all big implications for the country and the ecosystem. So,

because imagine someone taxing companies, wanting to pay 11% or 26% revenue, just because of the entire app download happening from the Google Play Store. So, without putting any additional effort, they just want to charge companies, which is obviously the monopoly, that you have been fighting. Lot of companies joined this fight.

Niraj Kamtekar: So, sir, that Google charges are accounted for in a current quarter expenses or?

Murugavel Janakiraman: Yes, we are paying some money, accounted some money. So, that's the reason if not for the provisioning and the money, what you pay to Google, the profit would have been 300 basis points higher. So, yes, it is a provision. That's the reason our expenses, i.e. other expenses have gone up. actually this year the profit margin would have been like much, much higher and we would have had a very good profit growth this year. Yes.

Niraj Kamtekar: Sir, last question from my side. Can we use the funds available for acquiring any event management Company who provides the weddings related service like destination marriage, catering, photography, and other all things, all things, the decoration? So, event management is a very growing business and people always, even at those small person appoint the event manager for their kids' marriages. So, can we have any plan to acquire any event management Company?

Murugavel Janakiraman: As a Company, with the internet platform, anything we do, it should have the pan India thing, or we should be able to benefit large number of users. We don't want to be a one wedding planner in doing say 10 weddings or 20 weddings in one market. As a Company, we should look at always the scale and size, something which able to make it available across India. So, as a platform, we should be aware, you should be able to offer something unique, differentiated and Company value proven to customer. We should not be yet another wedding planner. So, we should not become a full-fledged service provider or one local service provider. That doesn't do much good to that brand actually.

Moderator: Thank you. The next question is from the line of Pulkit Singhal from Dalmus Capital Management. Please go ahead.

Pulkit Singhal: I have a couple of questions. The first one, you had actually done a proper app refresh, a lot of efforts in the last quarter. You haven't seen any impact of that in any of kind of the paid campaigns etc. So, can you talk about how that might have changed things for you even if it's from other metrics or engagements that you are tracking?

Murugavel Janakiraman: It's in terms of the new app that's because it's a move to a better platform, in a way, to integrated platform that gives the ability to launch things across the platform in a simultaneous way. I think that's one of the significant change that we have brought in. So we have the desktop. We have a PWA. We have an Apple and the Google Play Store. So, that's one of the changes we brought in.

The second thing about the look and feel of the app, we do want to bring the freshness and the navigations. So, these are the things what you are able to achieve with the launch of the new app. As with when you do this kind of launch and involving all the multiple platform, it had a small teething issues. By and large, we addressed those issues and things are come to just stable level. Now this gives the ability to launch things in a faster way and also ability to launch all the platform.

Have we really got the benefits of the new platform yet? No, not yet in terms of because the new platform gives a flexibility to launch things, do a lot of experiments. We are yet to get into those things actually. Still we are working on some of the pending things. Probably end of this quarter we believe we will be able to address those pending enhancements to be done. Probably next year, we may be in a position to execute, experiment. Then you may see the benefits of it. At this point of the time, we have launched integrated platform, stable, good experience and the teething issue is what we have already addressed.

Pulkit Singhal: We have talked about the 5 to 6% kind of revenue growth. My understanding is that probably Shaadi is growing a lot faster. What is your comment on that? How are you tracking that space and how are you planning to deal with it?

Murugavel Janakiraman: So, we don't know because, it's a 6-8%, that's the kind of growth. There are quarters in double-digit growth. It varies from last three quarters growth for us. Yes, if you look at it, the year before we had a double-digit growth. So, it depends on the year and a certain segment growing at a faster pace compared to the other line of business offering for us. Since we don't know the competitive data, I am not in a position to comment on it because we don't know Shaadi's number. So, we have only three players by and large. So, we know that other players' their number and other things. Yes, so I am not in a position to comment on it because I don't know any information about Shaadi.

Pulkit Singhal: What are the two or three initiatives you are banking on for revenue growth next year? You talked about luv.com, but if my understanding is correct, that segment does not provide too many revenues and it impacts profitability quite a bit, if we look at the dating apps and how they have been doing. That is one reason why you never wanted to get into it. But how do we see the impact of that? And if you can talk about any initiatives that you are optimistic on, that will drive revenue growth?

Murugavel Janakiraman: No, that's one of the initiatives. In fact, we are not into the dating business. We want to help people to find meaningful love. I think our position is different. Our offering is going to be different. We believe that we can create a meaningful size, but we don't know. So, only by launching, only by experimenting, it may take a couple of quarters for us to even get a sense of because we have to invest for a couple of quarters to get the sense and understand. So, we are investing for the long term. So, honestly, it's not that that's one of the initiatives that's going to help us to grow, but I don't know how much growth is going to come.

Yes, you are right that dating sites in India has not grown much, but we believe there is a space, there is opportunity on our serious relationship. We don't know how much it can become, but it's not that the only initiative we are banking on for growth. We are looking at some initiatives, plus also we have plans to grow in the existing businesses, which we are looking at.

The one thing that we have seen is that EliteMatrimony we set up in the airport, we have today EliteMatrimony kiosk in three airports. We want to increase the visibility of Elite matrimony because there are rich and affluent people. We believe that segment possibly can grow better. So, like that we are looking at among the existing businesses, what are the things we can do to drive the growth? So, can we set up more retail outlets or maybe other initiatives? We are looking at various possible things where these initiatives can add to our growth actually. So, yes, the plan should drive growth in the existing business plus launch new businesses. We believe the combination of these things can help us to grow better.

Pulkit Singhal: And are you open to the idea of acquisitions in the matrimonial space? My understanding is there might be certain acquisition potentials out there. Are you actively looking out or not?

Murugavel Janakiraman: No, today, we don't see any meaningful player beyond the limited or the pan India level a few players. It's nothing. All the regional players are very marginal and so we have nothing where we see that we need to acquire at this point of time.

Pulkit Singhal: This whole Google issue, I understand and while the court case will take its own course, I mean, ultimately, we are paying almost 20 crores extra per year for this. Why haven't we yet experimented in a different way to kind of lead the subscribers to a different payment platform, even in the micro market, yet and try to see if we can save on this? I am just trying to understand the management thinking around this that why haven't we yet experimented around that?

Murugavel Janakiraman: I know it's a valid observation. We need to figure it out. What is the best way whether to change our model or whether to follow something like Netflix and all that. We have to see what is the friction, what is that benefits, whether plus and minus, you have to do some experiments. So, we are looking at various options. You are right. And see whether we can overcome the challenge beyond this legal case. Yes, you are right. Yes.

Pulkit Singhal: And on the costing, if you can just give a sense, I mean, so AMC cost is obviously 180 crores, roughly, here and there. But given that you are also planning to enter some newer segments, as you talked about, should we expect that this will go up because you will be investing behind the new launches, et cetera, or how do we see this next year and going forward?

Murugavel Janakiraman: Yes, there may be some increase, obviously, when you first begin. We can also can grow and so we are to see whether we can overcome Google challenge that will help us to get that the money what you are talking about that help us to get that money back. Yes, we had to work it out because it's too early for us because the product is still working in progress. We are not really working on how much it's going to cost and all. I think at this point of time, I am not in a position

to comment on that one. Yes, there will be an additional increase in marketing, but how much we are doing was we have not really worked on it yet.

Sushanth Pai: Just to add that many of these initiatives will take shape in FY '25. So, just in the coming month, we will be entering our planning and budgeting cycle. So, when we declare our results in May, we will have a better view on all of this in terms of where we see FY '25, because it's not going to affect Q4 as such some of the new initiatives like luv.com.

Pulkit Singhal: And any one-off in the employee cost because of which it's down or something that you see come back up? Any comments on that?

Sushanth Pai: Yes, so the employee costs, what happens is, one is, at the quarter end, there could be some headcount plus or minus because, like that we manage about 1,000 people plus at a very low level. So, attrition can happen at the quarter end. Second is the things which are little variable in the employee costs, like the variable pay, other things that make up, like gratuity provisions, they are all trued up every quarter, and that can also have a little variation quarter-to-quarter. But broadly it's in a range bound thing. So, it's nothing major in terms of one-off costs.

Moderator: Thank you. The next question is from the line of Anuj Sharma from M3 Investment. Please go ahead.

Anuj Sharma: Two questions really. One is, in terms of relevance of the profile, how is that change in terms of how the active profiles were couple of years ago and how relevant is the profile today? That's question number one. Second is in terms of customer satisfaction. So, how are we tracking customer satisfaction? And let's suppose we had a parameter of 1 to 10, where do you think we have reached and what is the aim we have for customer satisfaction?

The second question is on customer satisfaction. I was just trying to understand what is the metrics we are using to understand the customer satisfaction and where do we think we have reached in that understanding?

Muruavel Janakiraman: In terms of the profiles relevance, we continue to look at the profiles and continue to optimize to ensure that we are getting the right relevant profile. It's not that acquiring profile for the sake of acquiring profile because in the matrimony realm, it's important to acquiring the profile who are serious about getting a life partner. Otherwise today, there are platforms, you can get a profile acquisition because important to ensure that you provide a very safe and trusted platform or get only those people who are well intended for matrimony. That's why it's not about profile acquisition. There was always a growth in few years ago, but yes, here we had good growth in profile, but post COVID, we had an impact on the profile growth. So, I think the profile are growing at only marginally, at the relevant profile thing. In terms of the rating, definitely, customer satisfaction is very, very important. We track based on many things be it our apps rating or customer comments. It's continue to get better one day. So, you continue to make progress, continue to make improvements and so that way there is always the focus on driving

the better customer experience in one of our focus areas. We listen to the customer, the feedback, and continue to improve our product based on the customer feedback, customer think.

Pulkit Singhal: See, in terms of relevance of profile, I am sure you would have heard, but one of the common observations is lot of profiles which seem to be active have already moved on. So, how do you ensure that the actors which are on the portal are the ones who are interested and how do you curate the data? So, I am just trying to understand the curation engine. How is the duration changing rather than acquisition? So, how is let's suppose three years ago or five years ago...

Murugavel Janakiraman: Yes, understood. Basically, whether a customer is active, fine, if they have not found a life partner, other than one side, there are two things. When the customer themselves delete a profile, say that they found a life partner, they have deleted a profile, they move out. In case the customer is not active for whatever reason while you create a profile, we ourselves purge the profile beyond a certain time frame. We don't keep the profile beyond a certain number of months if the customer is not active. So, it's not that someone created a profile three years ago, do they continue beyond a Matrimony platform? No, if they are not active. So, if they are not active beyond few months, automatically your profile will get purged. It won't be part of our database.

Pulkit Singhal: And just on customer satisfaction, is there an internal number which we track, and you are able to objectively analyze the satisfaction level, let's suppose three years ago, two years ago, today, is there a number which is, how do I understand or how do you understand our customers more satisfied earlier versus today? And that's a feedback loop that helps you to improve and get better. So, how do you track that really?

Murugavel Janakiraman: One thing that globally that the demand of customer, the customer expertise will continue on the rise. So, I think that is the case everywhere. You know, it's not that the kind of service what you people got used to 10 years ago, now the people, now people definitely want a better and better service. We also understand, as an organization, we have to continue to improve and provide a better service. You know, that is something we track very, very closely, customer satisfaction, customer feedback. And so that way, we continue to get better. So, is there any number per se I can give? No, I am not able to put a number to it. However, I say that definitely that's one of focus areas. All I can say, we are definitely getting or improving on per customer satisfaction. But there is no number I can give specific number at this point of time. It was like, say, in the scale of one to five, it was four, now move to 4.5. No, that's not the case. Meaning I don't put a number, but the satisfaction level has moved because we continue to make product improvement, process improvement. In every area we continue to make process.

Moderator: Thank you. The next question is from the line of Ankur Jain, an investor. Please go ahead.

Ankur Jain: So, I have a couple of questions. So, the first one is from the outside to us, this space looks very promising with a large unmarried population, and smart code penetration, and online adoption of category. But somehow the online matrimony space showed very slow, has shown very slow growth in the category expansion itself. So, what challenges do you see? I mean, why isn't the category growing faster?

Murugavel Janakiraman: Yes, see, they see that because this category been there for long years, the online matrimony category is fairly known. So, the people, this category has been growing probably around maybe 5 to 10% growth. So, between the current the way we have been operating on that. So, we have to either work on the ways to convert from the profile acquisition. You are operating at a certain level of conversions. We have to, maybe continue to experiment or get the conversion to a much better level so that the volume conversion can move up or identify our ways to get more profile acquisition. On the either the top-level profile acquisition needs to get better, or the conversion need to get better or probably identify the initiatives that can help us to grow better. So, yes, there are challenges the way they have been growing because of certain constraints, but however, we are taking some steps. It's not that this category, the profiles acquisition has been growing at a phenomenal rate. It's been growing at the margin rate. I think that's one of the challenges we have in this category.

Ankur Jain: Yes, and all three players, they have spent huge amounts of money on marketing and advertising over the last few years, but still the category hasn't expanded. So, marketing is definitely not one of the reasons. I mean, there is a huge amount of advertising happening.

Murugavel Janakiraman: Yes, you are right. So, the marketing as it is told, I think, we are spending more than what is because of the competitors stepped up the marketing. Otherwise, actually, it is more like instead of spending Rs. 100 and suddenly everybody wants to spend Rs. 500. We have to resort to the increase in marketing spend. So, net net has it really benefited anybody for that matter significantly? Yes, here and there, some percentage point moved up in order, but not really help anyone in order. It's a more of, I would say, the media companies are benefiting out of the increase in marketing spend or the Company like Google. But that's the nature of the industry at this point in time. We have to increase the marketing spend to manage that increased competitive activity. But just because the increased marketing spend has really got more people to come into online matrimony significantly, then the kind of growth in the marketing spend. Has it resulted in the kind of growth on profile acquisition? It is not the case. It's growing at only certain pace and to continue growth at that pace only.

Ankur Jain: And in your experience, how have the other Internet-based ecosystems, like the online job market and other systems, how did they gain adoption in the Indian context?

Murugavel Janakiraman: The thing is that, see, unlike the matrimony business, it is a clear business. It's a one-time in a lifetime. So, the customer tends to stay for one year. When they say one year, obviously people prefer our brand. That's an advantage we have. A lot of people come to us because they know the brand, they think that's an advantage. So, no matter what you told last 24 years, there never been a degrowth in our business year-on-year, but the growth may vary from maybe 10% to even 40, 50% growth also in the early days. The thing is that the people stay for one year or two. It depends on maybe some people like three months also. Unlike other businesses, where you are talking jobs and all, once you sign up with a customer, the customer tends to, by and large, renew the order. It's probably lifelong to a large extent also. I think that's in between, probably the volume of the number of customers signing up, millions of people are signing up, but this, India is still a large opportunity. There are 60 million people, maybe around 10 to 15 million, 10

million people have come to online. Probably we will catch a reason to launch, maybe luv.com or jodi, we are continuing to figure out what are the other ways the different set of people who have not come to the online Matrimony platform to come and experience the platform or services so that we can convert better. So, the matrimony business is large B2C compared to the B2B business, but in a way that once acquire a customer, yes, they can continue to pay an order. It's a different type of business. There are advantages. There are challenges.

Ankur Jain:

So, finally, I would like to share one pain point. I spoke to some of the users of online matrimonial space. So, one pain point which they shared with me was that once a subscriber, he signs up and after a while he or she finds a prospective match, they want to spend some time meeting and exploring. They want to take the relationship forward. And sometimes this takes a few months and some of those cases, they decide not to take it forward. And then the process starts from scratch. If somebody has taken a subscription for three months and then he or she explored a relationship which took a couple of months and they come back, then in all this while the subscription is still active, and they have to renew the subscription if they want to start it again. So, they feel that the money has gone to waste and then there is inertia to renew and drop off. So, how about this pain point and how do we address this pain point?

Murugavel Janakiraman:

Actually, someday I will see the other way because for the money customer investing, the benefit what they are getting, it's too precious. Someone can't put a price to finding a life partner. Today millions of people find a life partner, they have paid Rs. 5,000, got a life partner. And sometimes we look, people are spending crores of money on wedding. But the most important thing on the wedding is the spouse, where the people have to spend 5,000, 10,000, got the life partner, where you spend like crores of money or lakhs of money on various other services. So, actually, sometimes we have to probably make do to understand, look, the money, what they are paying, matchmaking is like much more precious and much cheaper compared to what one can pay for any services in the world.

Ankur Jain:

No, I understand and appreciate your point, but you know, we have a paradox here that even though people are spending crores on marriages, but still the profile growth and the paid subscriber growth in this online matrimony space is very tepid. So, we clearly see a paradox in play. And this is a pain point, which what I am sharing is something which I spoke to a couple of users, and they said, yes, I think this is definitely a pain point and rather they shared this as a pain point. So, just one thing. What struck me was that, like, we are using, I am a subscriber of Tata Play and they have an option where if you are going on a vacation, you can suspend your subscription for 15 days and then your subscription gets carried on for whatever time, that much additional time. So, if you have stopped the subscription for 15 days, you have paused it, you can resume it after 15 days. So, have you thought about the similar pause option to your subscribers?

Murugavel Janakiraman:

Yes. The majority of the business doesn't work that way because it's very difficult because imagine if you sign up for Spotify, okay, I watch music one day, I don't watch music one day. The many subscription doesn't work that way. It's based on the tenure, whether how much you use it or not use it, I think that's the subscription model. While I appreciate some are used to the

other thing, but you never add this as a challenge in terms of people while you are talking about the overall the subscription thing, not actually today, you have millions of profiles.

In fact, sometimes there are challenges. Look at 10 years ago and five years ago. Today, there are 4, 5 million people on the platform. So, there are enough and more matches. In this case, we are talking about someone did not work out. Yes, that's a chance to take life partner may or may not work out. So, giving you pause, come back, this kind of thing doesn't work out because of the nature of the business, nature of the things because otherwise what happens? The person can contact all the matches in one single day. Okay, take your pause for another 90 days and come back. So, it's a different business model or globally, maybe I would say 98% of the business, our subscription business, they work on a tenure, not based on the usage in our process.

So, we prefer to operate this way. While I understand there are some users who may not be happy with it and majority of the people are, and millions of people are getting married in our process. That's a different problem. Yes.

Ankur Jain: No, I just thought because there is already a subscription business, which has an option like this. So, I just thought I'll highlight this to you and maybe you can think about it.

Murugavel Janakiraman: Yes, definitely, appreciate working on the thing, but that will put a lot of complexity on our thing. While we understand the user has that expectation, but yes, there are the practical difficulties also that will put the burden on the system actually, because these are the practical difficulties.

Moderator: Thank you. Ladies and gentlemen, that's the last question. I now hand the conference over to the management for the closing comments.

Murugavel Janakiraman: Thank you so much for your interest and participation and look forward to speaking to you.

Sushanth Pai: Thank you all for your participation. In case you have any questions, please feel free to write to us. Thank you.

Moderator: Thank you, members of the management team. Ladies and gentlemen, on behalf of ICICI Securities, that concludes this conference call. We thank you for joining us and you may now disconnect your lines. Thank you.

(This document has been edited for readability)

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