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February 25, 2021

National Stock Exchange of India Ltd Exchange Plaza, 5th Floor Plot No: C/1, G Block Bandra Kurla Complex, Bandra (E) Mumbai – 400 051	Corporate Relationship Department BSE Ltd., Phiroze Jeejheebhoy Towers Dalal Street, Mumbai – 400 001

Dear Sir/Madam,

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

Ref: BSE Scrip code: 540704 / 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 04th February 2021 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 3Q FY '21 Earnings Conference Call hosted by HDFC Securities"

February 4, 2021

matrimony.com HDFC securities CHORUS CALL

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

MODERATOR: **MR. AMIT CHANDRA – HDFC SECURITIES**

For Matrimony.Com Limited

Moderator: Ladies and Gentlemen, Good Day and Welcome to the 3Q FY '21 Earnings Conference Call of Matrimony.com hosted by HDFC 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 call, please signal an operator by pressing '*' and then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Amit Chandra from HDFC Securities. Thank you and over to you, Sir.

Amit Chandra: Thank you operator, Good Evening everyone. On behalf of HDFC Securities, I would like to Welcome you all to the Matrimony.com third quarter FY '21 Earnings Call. We have with us today, Mr. Murugavel Janakiraman – Promoter and Managing Director of Matrimony.com and Mr. Sushanth Pai, Chief Financial Officer, so without further delay, I would like to hand over the call to Mr. Murugavel to provide a brief overview of the quarter gone by and then we can move onto the question-and-answer session. Thank you and over to you, Sir.

Murugavel Janakiraman: Good Evening everyone, I hope all of you are staying safe and healthy and wishing all a great 2021. I am happy to inform you that we have achieved our first Rs. 100 crore billing quarter on a consolidated basis, we have continued the trend of achieving double digit growth in matchmaking billing and volumes both on a year-on-year basis and this in line with our earlier indication. We have also demonstrated continuous profitability growth in the current dynamic environment with 96.5% increase in PAT on a year-on-year basis. Now, let me come into the results. On a consolidated basis, we achieved Rs. 100.1 crore in billing which is a 9% year-on-year growth. Revenue in Q3 Rs. 96.7 crore which is a growth of 7.4 % year-on-year. Key highlights for the matchmaking business are as follows: In Quarter-3, billing was at Rs. 99.8 crore, a growth of 3.8 % quarter-on-quarter and 11.6 % year-on-year. Our online matchmaking business grew at a much higher percentage than the overall billing growth. However, due to the impact of our personalized services including Assisted service and Elite matrimony, we ended up with 11.6% billing growth. Now the personalized services are back on track in Quarter-4 and we expect a better overall billing growth in Quarter-4. Revenue at Rs. 96.2 crores a growth of 3.8 % quarter-on-quarter and 9.6 % year-on-year. Paid subscription of 2.3 lakh added during the quarter, a growth of 6.2 % quarter-on-quarter and a very robust growth of 31.2 % year-on-year. This is in line with our differentiated strategy that we continue to adopt. This also resulted in strong double-digit volume and billing growth in North and Western market. ATV for the match making business declined 2.2% quarter-on-quarter and 14.9% year-on-year in line with our initiative for better conversion. We continue to track the impact we create for ourcustomers; we are happy to state we have created about 27,000 success stories in Quarter-3.

Other highlights for the quarter are as follows; we launched two new exclusive services namely Rajasthani Matrimony and Bihari Matrimony, in a move to expand and strengthen our leadership in the North market. We also launched Doctors Matrimony, an exclusive matchmaking service for doctors. We undertook women empowerment program, a CSR initiative to promote employment by enhancing vocational skill for women, about 160 women will benefit from the online skill training program which is being executed in association with the global NGO Hand

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in Hand, India. We have strengthened our leadership team with addition of Rajesh Balaji as CHRO and Arjun Bhatia as the CMO. Now, coming to marriage services business, revenue was at Rs. 0.5 crores in Quarter-3 as compared to Rs. 0.6 crores in previous quarter. We are seeing signs of revival in this business and also we continue to strengthen our services and offerings. We move to subscription-based business model in wedding services. Through operational efficiency, we have brought down the losses to Rs. 1.9 crore from Rs. 2.5 crores in the previous quarter. The losses in Q4 will be in a similar range of Quarter-3. On the billing and revenue outlook for Q4, we expect the billing for matchmaking to show a double digit growth on year-on-year basis due to the billing pickup in Quarter-3, revenue in Q4 is also expected to show a double digit growth on year-on-year basis. With the subscription based business model in place of wedding services, we expect the billing to pick up from Quarter-4 onwards. Now let me pass onto Sushanth to comment on the key profitability highlights, over to you Sushanth.

Sushanth Pai: Thanks Muruga, let me also add my good wishes to all of you for a great 2021. Our EBITDA margin for the matchmaking business in Quarter-3 is at 23.6% very similar as compared to Quarter-2 which was 23.7% and 21.2% a year ago. Marketing expenses are at 37.7 crores as compared to 33.8 crores in Quarter-2. We have increased marketing expenses due to increased business traction, profit trends, and also competitive scenario. Excluding marketing expenses, our margins in matchmaking continue to increase, this has increased to 63% in Quarter-3 as compared to 52% a year ago due to operational efficiency and productivity measures. On a consolidated basis, our EBITDA margins in Q3 are at 19.1% as compared to 18.8% in Quarter-2 and 12.3% a year ago which showed a significant improvement. Tax rate is at 23.5%, similar levels of the previous quarter. Quarter-3 PAT is at 11 crores as compared to 10.3 crores in Quarter-2 and 5.6 crores a year ago which is an increase of 7.4% quarter-on-quarter and 96.5% year-on-year. On the outlook for Q4 margin, given the expected revenue growth in Q4, we expect matchmaking EBITDA margins and PAT to increase. 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 risk 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. Over to you Amit for questions and answers.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Dhruv Shah from Ambica Fin cap. Please go ahead.

Dhruv Shah: Hi, congratulations team on a really good set of numbers, I have couple of questions, Sushanth, first on the cash balance, how much cash would we be having on our balance sheet right now?

Sushanth Pai: We have about 257 crores of cash on the balance sheet.

Dhruv Shah: Great, Muruga, the question what is giving us so much of confidence on a year-on-year basis like you are still expecting a double digit growth what is leading such a confidence, if you can comment on the same?

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Murugavel Janakiraman: It is a combination of multiple things; one is we have been executing very well. We could see that our year-on-year the volume growth which grew by a phenomenal 31.2 percentage in fact it is almost 2.3 lakhs and probably next quarter I hope it will soon touch 2.5 lakhs to take us to a million paid transaction in the year the second half run rate to touch it soon, it is coming from multiple things. One is that the continuous investment, the profile acquisition that is going well double digit in profile acquisition and more importantly our ability to convert, we have been converting very well because they are good products and the team has been executing very well, so all these factors have been contributing to the double digit growth and we expect the growth to continue, what I mentioned during my opening call was that actual growth in Q3 for online business was much better than 11.6% so it is because of the personalized services business in Quarter-3 had a degrowth year-on-year, we ended up with only 11.6%. Now the personalized services business was back on track, we expect the growth to continue so we expect the momentum to continue, double digit growth to continue because of all these factors and feel it only gets better as Sushanth said because we have a strong OPEX efficiency while investing and executing well and margins continue to increase, so while the top line grow at certain pace double digit growth and the bottomline grows much faster.

Dhruv Shah: Right, thank you, Sushanth one question and last quarter we had IPL, so the advertising cost would be high, so do we expect a same level of advertising costs going forward or it should dip at least for next couple of quarters and that should lead to higher margins because we have seen margins around 26%-27%, so can we expect that kind of margins going into next year?

Sushanth Pai: The next quarter we expect a slight increase in advertising expenses, but in spite of that like I messaged in my remarks, we believe broadly profitability will improve even next quarter in spite of that slight increase because like Muruga mentioned, because some of the businesses lagged behind, they are going to pick up in Q4 and also add to that momentum, so broadly our profitability will improve as well as marketing expenses will also slightly increase. Muruga would you like add something.

Murugavel Janakiraman: Thanks Sushanth, however, probably we are reaching a certain threshold on marketing probably after Q4, probably May sort of operating at the similar level of marketing spends and with that we expect the EBITDA margin to improve because we believe that we are reaching a certain threshold on marketing and we do not see that we continue to put more money into the marketing once you reach the threshold, we believe that we are sort of getting closer to that threshold in Q4, so the thing is that next year with that kind of marketing spend and with increased growth, the EBITDA margin will move at a much better rate.

Moderator: Thank you. The next question is from the line of Anthony George from Kris Portfolio. Please go ahead.

Anthony George: My question was regarding advertising itself, I would like to know whether you are planning to do more digital advertising in the future where the conversion rates might be higher, so as I

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understand you spend about 70% of your advertising in off-line, so if you can give some idea on that?

Murugavel Janakiraman: Thanks Anthony, a large part of our marketing spend is on TV and while we definitely see maybe some shift in the marketing, anyway we hired a new CMO, Arjun Bhatia has joined, hopefully we can have a fresh look into the entire marketing spend and probably there may be some change, but again it is still early to comment on that one, but yes there could be a possibility of some of them moving to digital, but at this point of time yes, TV continues to be on the large side of our marketing spend.

Moderator: Thank you. The next question is from the line of Hardik Sanghani from HDFC Securities. Please go ahead.

Hardik Sanghani: Sir, just a couple of questions and thank you for giving me the opportunity, Sir in terms of our healthy profile growth so what would be the key reason, is it the better marketing spend or is it offering a better price point to our customers which has enabled us to give such a healthy growth. In terms of the leadership investments which you alluded earlier, if you can just throw some light around it like for example investments done in North India market, and third question is on margin, so margins excluding the marketing spend are if I am not wrong at a multi-quarter high, so going forward do we see any headwind or any particular tailwind or is it sustainable?

Murugavel Janakiraman: Thank you, again it is a combination of multiple factors, I would say that probably a 3P, one is the people, we have a strong leadership team in place and we have strong product and we continue to strengthen our product and offering. You know that we launched some of the interesting features including "who can see me" feature, secure connect, and secure video call, and we continue to strengthen our product and offering and that is on adding new features and differentiated features, it is also in terms of UI/UX, we continue to make an improvement, so this is on the product side and also we launched new products offerings. During last quarter we added three new products, Bihari Matrimony, Rajasthani, and Doctors Matrimony plus this is on the product side broadly, and third is on the pricing side differentiated pricing and strategy for different segment. We will leverage AI and analytics to do a better job on that area, so combination of people, product, and pricing strategies is helping in our growth. In terms of marketing as I said while there will be some increase in Quarter-4 and we believe that we are reaching a threshold and going forward we probably may operate at similar market by and large, so that being the case we expect that the margins would increase because so far we have been considering increase in marketing and from Q4 level onwards we expect to maintain that level of marketing, we believe that is good enough marketing even considering the current intense competitive scenario where IPL marketing spend we believe that is good enough,. We expect that the momentum would continue, growth to continue, EBITDA margin to improve.

Sushanth Pai: Just want to add Hardik is that on some of the other cost, mainly people cost that could slightly increase because this year we did not give any people salary increments that will come into effect next year, so there will be some increase in expenses because of people cost and however, other

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expenses are broadly will be stable, but maybe little increased because we did negotiate better rates on our rentals and all because of the situation, some increments may come back for next year but in spite of that broadly because of the growth, because of the initiatives that Muruga just explained and because of marketing getting to a threshold level, we still believe that profitability can increase in spite of all of this as we go along.

Hardik Sanghani: Sure, on the leadership investment, so if you can just throw some light on the key hires which you have done, for example the hiring which we have done in North Indian market?

Murugavel Janakiraman: We recently hired CHRO, Rajesh Balaji has joined as our head of HR and Arjun Bhatia who has joined as a CMO, and Arjun is from Delhi who has worked in the North Indian market and definitely have a lot of understanding of that area, he was with Samsung earlier, so I believe that his understanding of the North Indian market, his experience is definitely a great addition to our leadership team. We have been definitely growing very well in the North and Western market. In the West market we are definitely a number one player and North market where we continue to increase our leadership, with the launch of new initiatives and with other things we planned, we expect to grow our leadership in the North market as well.

Hardik Sanghani: Sir, just one more follow if I can, in terms of the growth which we have demonstrated in this quarter, so albeit not at this level, but do we believe that we are back on the growth path now going forward with a meaningful double digit growth in coming next few quarters at least with the investments which we have done?

Murugavel Janakiraman: Definitely we except a double digit growth for the next foreseeable quarters, so we expect that only to continue.

Moderator: Thank you. The next question is from the line of Vivekanand S. from Ambit Capital. Please go ahead.

Vivekanand S.: Just to look at the transactions that we have clocked in the prior quarter, could you help us understand where we picked up these new users, was it from the Northern, Western, and Eastern India or was it from the existing markets, all I am trying to understand is was the growth uniform across the geographies where we are present or was it driven by our core strong markets, so that is question one? The next question is on the new brands that we launched, so just to understand this better, are we going to double down on a community matrimony strategy or is it so that we will focus on one master brand per linguistic market because our competitor seem to be focusing on one big brand rather than the community brands that we have been focused on?

Murugavel Janakiraman: Thank you Vivekanand, in terms of growth, growth is a broad-based, across the market have been growing, but the growth in North and West definitely was much better than the growth in our key markets, that is point number one. When it comes to the launch of new offerings as we have mentioned in Bihari and Rajasthani, it is part of Community Matrimony offering. When it comes to our North India markets, so far we have been operating the one brand of Bharat Matrimony.com, we believe that we could look at targeting some segment of population in

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Northern market like Rajasthani's or Bihari's with exclusive offering. Our approach is to kind of go deeper in some of these markets, we believe that launch of these new initiatives will help us to further penetrate because that is the strategy. I cannot comment on the competition why they have single brand whatever it is, and we have been running a multiple brand and we feel that this will help us to further penetrate in the Northern markets.

Vivekanand S.: Thank you for this, just couple of follow-ups, you mentioned about the new pricing strategy, so what is the new range of transaction values now compared to the earlier pricing paradigm that is, is it possible to mention the percentage range now the lowest pack say at X and possibly the highest self-serve pack being at Y, what is the difference between X and Y now versus earlier only one price?

Murugavel Janakiraman: It is very hard to kind of get you the details because there are lot of experiments we do and also I do not want to get into that details about what the lowest price, what is the highest price, again it varies from market to market, segment to segment, and matchmaking is not a one set of customers. It is based on various things, so definitely there are different pricing strategy that not many details of what the lowest price is, what is the highest price, it varies from segment to segment.

Vivekanand S.: Sure, so let me frame it a bit differently, because of our new pricing strategy are we able to attract transactions from a whole new set of cities, users residing in new set of cities, even that level of base level understanding of how transactions are happening would really help?

Murugavel Janakiraman: Yeah, the thing is that one is the recurring of free members and converting the free members into a paid member, so we have been able to execute because we have a good product and we have been executing well and the strategy, the combination is of multiple factor. We are going to convert better, so the increase in the volume of 31 percentage year-on-year and sum of multiple factor is also the stepping up of marketing some other areas that also helped us, so the combination of thing it is not one single thing, we have been executing well on all these front that is helping us to get new customers, we are able to gain share from our competitors, able to gain market share, and while overall growth was good, again online growth was much better than the 11.6% growth because of the personalized services I told you, we ended up with only 11.6 percentage, with that coming back we will expect growth to further pickup, so we are able to convert better. Growth in North is definitely much, much better, so we expect this trend to continue.

Moderator: Thank you. The next question is from the line of Devang Bhatt from ICICI Direct. Please go ahead.

Devang Bhatt: Thanks for taking my questions, so there are three questions one is that your employee cost has declined around 32 crores to 30 crores so what led to that, so in the wage hike that you are going to give, how much would be the employee cost impact? Secondly since you are expecting advertising to sustain, but you are expecting the cost to increase like wage hike, lease expenses, so what would be your long terms sustainable margins because you might have to reinvest in the business? Third thing is that your subscribers have improved significantly, so have you gained market share and in which region?

Murugavel Janakiraman: Thank you, in terms of employee cost reduction on account of some of the, we continue to leverage technology, we continue to optimize and some of the steps what we have taken, we ended up seeing the full benefits in the Quarter-3, so this is a result of some of the steps what we have taken, we have optimized some of the costs, we have performance management system in place, so all these factors have contributed to some optimization we have done in weddings, so various things because as organization we have a strong performance oriented culture, so the steps what we have taken that we got the full benefits in Quarter-3. In terms of while the employee cost is going to go up in Q1, it is a normal wage increase, so it will have some nominal impact, but marketing is a bigger part of our spends, so in the marketing after Q4 while there will be some increase in Quarter-4, the marketing is going to sustain at that level more or less and when the growth we continue to expect double digit growth, that definitely translate into a strong increase in EBITDA margin. It is not though EBITDA margin after reaching test threshold will stop, when the growth happens, the EBITDA margin continues to increase. You look at a matchmaking, it is operating at 63% gross margin, it has continued to increase, so when the marketing stops at certain level and the EBITDA will continue to increase so it is not going to operate at in the near future is going to stay at certain level and all, so it will continue to.

Devang Bhatt: Do you have some target in your mind or you are expecting that it will continue to increase but there is no such, you can go up to 27% which historically you have seen?

Murugavel Janakiraman: I think in my view you should take the matchmaking EBITDA to which currently at 23.6 percentage, we should take it to 30 percentage plus, EBITDA margin we should take it to.

Devang Bhatt: Great, and Sir on the subscriber part, have you gained market share, in which region, and?

Murugavel Janakiraman: Sorry, what is the question?

Devang Bhatt: Your subscriber has improved significantly, so have you gained market share and I mean which region?

Murugavel Janakiraman: Definitely, I am not sure about what is the competition growth, but definitely our growth in some other market where we want to penetrate, they have been growing at a much faster pace, so we believe that we are gaining market share in the North market because the growth was much better and with the launch of new initiatives plus other things, we believe we are gaining market share in North markets, just we are the leader and there is a Marathi market as a strong leader and it is the Northern market where there is lot of competition, we hope to gain continued traction in the market.

Moderator: Thank you. The next question is from the line of Jigar Shah from Negen Capital. Please go ahead.

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Jigar Shah: Good Evening, my question is what is the status on going international, you were supposed to launch services in Sri Lanka?

Murugavel Janakiraman: Yeah, definitely that is pretty much on the cards and due to COVID and restriction and we have sort of shelved that and probably the coming year once some restrictions kind of eases and once we are able to freely travel, so we will pick it up, so not only Sri Lanka, there are other opportunities as well, so international expansion is one of our growth strategy.

Jigar Shah: And also about Muslim matrimony?

Murugavel Janakiraman: Muslim matrimony is for Indian offering, we have muslimmatch.com, we have multiple match making offerings, we have Arab Muslim match, Malaysian Muslim match, and we have almost eight Muslim match offering, it has continued to gain traction, it is growing well and some other market we definitely see a traction, so that it gives confidence and that we could look at launching other initiatives where we believe that we could be able to do well, so yes we are looking at some opportunities in the market outside of India, so definitely it is part of growth strategy, we are looking at global operations and global initiatives to add to our growth.

Jigar Shah: Right and when do you see the marriage service EBIT turning around, like do you have any new strategies, are you planning to do something?

Murugavel Janakiraman: Definitely, I think we have come sort of full circle on wedding services, so we realize that subscription is a way forward and we sort of start working on that model because India also as a country sort of evolved into a subscription business model, we see a lot of successful SAAS companies subscription business model gaining traction, so when initially we thought we can take the approach of service on a full service model and commission model, lead based model. We realized that subscription is the way forward, so last six months during the COVID, we used this opportunity to kind of strengthen our product and offering. We are continually adding listing, the Mandap at more than 10,000 plus venue, hoping to touch probably 20,000 venues in the coming quarters and we also have wedding services as almost 40,000+ in matrimony bazaar, and we continue to do product and offerings and we have moved to a subscription business model, so we definitely see the traction happening from this quarter onwards. We hope, again this is the beginning, we can see that starting from now onwards, we expect the wedding services business to improve year-on-year at a much faster pace, again it is too early, but the way you see that we continue to grow much better phase in the wedding services business.

Jigar Shah: Do we see this breaking even in next financial year?

Murugavel Janakiraman: We are not taking that as an objective because opportunities in wedding which we are talking about India, the number of people in the weddings are probably over under 1000 or more also, I do not know the exact count and the opportunity to kind of grow in the business is there and that being the case, we are able to grow at a much faster pace and hopefully yeah, I do not know when we can break even, probably break even in a year or couple of years I do not know, but objective is to kind of grow and get people to adopt to the subscription business model and

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wedding services, that is the objective. When the business grows well, losing couple of crores is not a problem because the subscription business model you know that, once the rhythm sets in place, once people start seeing the value, when people start renewing it that is where you get the higher velocity, when people keep renewing it because every year we could increase that fee every year, we could also get more people to pay for it, so still in the very, very early stage but we see that the traction seem to be fine, we hope that we are in the right path I believe, I expect things to get better.

Moderator: Thank you. The next question is from the line of Arpit Shah from Stallion Asset Management. Please go ahead.

Arpit Shah: Hi management, I just have four questions regarding the business, I just wanted a number on free registrations where it has been compared to last year because you have stopped publishing that number?

Murugavel Janakiraman: Thanks, we are growing on double-digit, but due to competitive reasons we are not sharing the actual number, , so we are growing at double-digit basically.

Arpit Shah: Last year it was about 53 lakhs people, so if you can just give, is it higher or lower this year for the first nine months?

Murugavel Janakiraman: No, we have been growing, year-on-year we are growing on a double-digit basis.

Arpit Shah: Okay, I just joined the call later, did you mention anything about advertising, how it is going to go lower from Q4, is it something that you had mentioned?

Murugavel Janakiraman: Yeah, we did talk about advertising spend, the advertising spend will definitely going to increase by possibly a couple of crores compared to the Q3 level, however, we believe that after that we believe that we are possibly getting to a some kind of threshold, we believe that may be good enough advertising for the next year, we think so again at this point of time, that being the case we expect when advertisement is going to reach at that threshold we believe that is good enough then that will contribute to increase in EBITDA margin from Quarter-1 on.

Arpit Shah: So a broad number for FY'22, we are on 140 crores for advertising?

Murugavel Janakiraman: FY'22 I think it is too early to comment. Let's see from Q4 onwards.

Arpit Shah: And what would be our base let us say for our average revenues, I think so at Rs. 4385 per ARPU and I think so it has degrown by 15% YOY, what will be the floor for this to go higher?

Murugavel Janakiraman: Sorry, I missed the last point, ATV is at 4385, what was your question?

Arpit Shah: What would be the floor to, whether if you start increasing from your or there is an opportunity where you can keep increasing to subscribers at lower prices, this is only to understand the Delta?

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Murugavel Janakiraman: Again, to kind of get more people to sign up for the services at the right price, not only the discount, we believe that we are fairly doing a good job on that one. The ARPU could have been better in Quarter-3 if not for the impact what you had in the personal services because personal services we had, we have a higher ARPU, that business had a sort of degrowth due to the market condition process changes, again that business is back on track. We may see possible some increase in ATV or Q4 possibly, again maybe it is too early to comment also, may be broadly in this range or maybe slight improvement you can see in the Quarter-4 onwards.

Arpit Shah: Just last question, a bookkeeping question, I just wanted to understand the billing growth this quarter is about 9%, price decline was about 15% and subscriber growth is around 31% and 32%, so what is the missing part of that?

Murugavel Janakiraman: Again sorry I missed the last point, the billing growth on matchmaking is 11.6 percentage in Quarter-3 and paid transact grew by 31.2 percentage, what was your question?

Arpit Shah: Our pricing decline was about 15%, right, YOY?

Murugavel Janakiraman: Yeah, correct.

Arpit Shah: So if I just add up these two numbers, what is the differential which is remaining, what is the differential part?

Sushanth Pai: Matchmaking billing is coming to close to about 12% and this difference is somewhere in the region of 15%, so it will not add up exactly like that, but it will be somewhere close to that.

Arpit Shah: The differential is it because of the mix or is it due to some different services, pricing or more subscribers per product?

Sushanth Pai: Yeah, it is a little bit of mix as well as you know because ARPU is also much higher for certain elite and assisted services where the profiles are smaller, and pricing is higher.

Moderator: Thank you. The next question is from the line of Amit Chandra from HDFC Securities. Please go ahead.

Amit Chandra: Sir, thanks for the opportunity my question is regarding ATV like in the previous questions you mentioned the ATV is coming down consistently, so are we actually lower than the price to acquire new customers or are we adding users with more shorter duration like lower value contracts or are we providing higher discounts for newer customers that we are adding in the North market, and if you can comment on the pricing how it is different across region and how it stands versus competition then it would be helpful? Also if you can comment on the churn and the renewal rate and how it is impacting ATV?

Murugavel Janakiraman: We do not offer any lower duration packages, packages are broadly three months, six months, and 12 months it is a duration concerned, it is a standard duration, and second thing the pricing

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again it is not limited to any particular market, we look at based on various segments, various price being offered, again it is based on lot of understanding or analytical, so lot goes in the pricing thing, so that is the way we have been driving things, but in terms of other things we have been fairly doing well be it renewal or other things. We are using the combination of multiple factors to drive the increase which is a profile increase and ability to convert and product pricing, so idea is that it should continue to gain market share, continue to grow because getting free users is fine, but it is important that when people see the value when they become paid users which we are able to do it well.

Amit Chandra: Especially in the North market where we are trying to increase our market share, in terms of pricing are we very different from competition or?

Murugavel Janakiraman: Yeah, coming to that point you did ask that question, again competition also offers different pricing and it is not that nobody has single pricing at this point of time, so it is not about the pricing, we are the leader we have a lot more understanding of this business and offering and our commitment in this business is far higher and continue to make better product and offerings, so is not that there are any standard price we are having a differentiated prices, they also offer different set of prices. It is that the combination of multiple factors helping us to penetrate again north-is definitely is still a way to go, but with steps what we are taking we believe we are on the right direction, we believe that over probably couple of years or year or two, we believe that we could able to attain a good leadership in Northern market being from one of the leaders into a good leadership position in Northern market.

Amit Chandra: Okay Sir, my last question would be on the retail store experience, so how much revenue are you getting from retail store experience and how has been the recovery there, are we still seeing pressure there or we have seen some recovery on that front?

Murugavel Janakiraman: Thanks Amit, retail now is back on track, there was impact during Quarter-1 and Quarter-2, Q3 almost bounced back closer to earlier levels, now we are starting to do better, so in terms of retail contribution it is a small percentage of business. We believe that it is an important channel to have, so retail contribution is a small percentage of business.

Amit Chandra: Okay Sir, thanks and all the best for the future.

Murugavel Janakiraman: Thank you.

Moderator: Thank you. The next question is from the line of Hardik Sanghani from HDFC Securities. Please go ahead.

Hardik Sanghani: Thank you for taking my question again, Sir just one question in terms of getting a better hang of the industry, so three-four years ago, the way the newer players entered or they tried to augment their offerings was mainly on the pricing by more offering a competitive pricing, now as the industry is again coming back on track on the overall level in terms of profile acquisition, the investment trying to work and we get a better acceptability of online matrimonial channel,

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so what would be the key win areas or the key catalyst for gaining a larger market share in Northern market at least for in next couple of quarters?

Murugavel Janakiraman: Gaining market share in?

Hardik Sanghani: In other markets primarily the newer players or the players came in last three to four years, not the newer players but suddenly they tried to invest heavily by acquiring and the markets went through a bit of a lull in terms of revenues, now again like the profiles are coming back, the revenues are increasing and has the industry matured on that front or still more investments are needed particularly in other markets to get a better market share?

Murugavel Janakiraman: Thank you, actually earlier things have multiple brands and we definitely did not spend sufficient in the North market, so that was one of the challenges what we had in the past. While at this point of time marketing is definitely more than what is required because some market we have to spend more than what otherwise we would be doing it, but nevertheless we have increased market spends just to ensure that we have the good amount of visibility and required visibility, so when come back to the in terms of if there is a profile increase happening then more and more people are signing up and again the people are signing up from across India, various market, various geographies, so compared to the kind of pricing and what strategy we have, we believe that whatever we are doing in which way, we are able to execute well, that is helping us to gain traction, so yes we did invest sufficiently in the past. Now, we are able to invest reasonably well across the market. We believe that the kind of spend what we expect to do from Q4, we believe that level of spend is good enough across the market where we will be able to invest sufficiently across the market, after that you want to sort of not worry too much about whether investing in the market sufficiently, I think we believe that we will be investing right amount of marketing across the market, so that being the case we are reaching a good amount of threshold on the marketing spend in my view at this point of time, so it is good enough and somehow we have to continue to execute, continue to convert the free profiles into a paid profile which we think we have the right talent to deliver.

Moderator: Thank you. The next question is from the line of Khush Gosrani from InCred Asset Management. Please go ahead.

Khush Gosrani: Thank you for the opportunity, I just wanted to ask few questions, first was that what percentage of our paid subscriber would be coming from conversion of free to paid and how much would be totally new customers?

Murugavel Janakiraman: The paid conversions happen over a period of time, so it is not that people pay immediately, not everyone pays within a certain duration, but over a period of time definitely around 12% to 15% of customer end up paying money, but again it varies from customer to customer.

Khush Gosrani: Have we seen the full impact of the pricing differential in our ARPUs or we will see the impact for more two or three quarters?

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Murugavel Janakiraman: ARPU we believe that at this point of time it looks like we will be operating at similar levels may be slightly increased, but again if we are able to do much better job of conversions and depends on where you are getting the profiles from, so objective is to convert better and customer offer the right price convert and continue to grow in double digits, so that is objective, continue to get more people to sign up for paid subscriptions, so that is objective so even if you have to do at the cost of ARPU you may do it, but again we are not just looking at discounting for the sake of discounting, we believe that getting customer at the right price what matters, that is the way we convert our numbers from free to paid.

Khush Gosrani: Just last question, I wanted to understand your subscription model in marriage services, so could you just elaborate like what packages are we offering, how many clients we have on-boarded etc.?

Murugavel Janakiraman: Again, we are still in the early days, but I think the traction seems to be, initial traction seems to be good, we have just moved to existing vendors into a subscription business model. The packages are pretty much three months, six months, and one year packages within the duration have multiple offerings, so probably we will throw some light in the coming quarters.

Moderator: Thank you. The next question is from the line of Vivekanand S. from Ambit Capital. Please go ahead.

Vivekanand S.: Thank you for the follow-up opportunity, you mentioned that personalized and retail services are now bouncing back, could you highlight what their revenue contribution would be for the matchmaking business and where was it before the pandemic?

Murugavel Janakiraman: Look Vivekanand, year-on-year we have a degrowth in personalized services in the recent quarter, now the business is back on track. This business continued to sort of 10% of our revenue together.

Vivekanand S.: And what about the retail business Sir, how much does that contribute now?

Murugavel Janakiraman: It is around similar level, around 10 percentage.

Vivekanand S.: You think that these businesses can, I understand that retail probably may not be such a big growth area, but more from a visibility perspective, but can you talk about your strategy in the personalized services segment because this is an area where your margins might be better due to the higher ATV, so what are you doing here to grow this business?

Murugavel Janakiraman: We are looking at growing across the businesses, online definitely also gives very good margin and definitely personalized services also gives a good margin, and we are looking at growing all the businesses, but personalized services again like all the businesses, personalized service also continue to make improvement and because we definitely have compelling offer when it comes to personalized services because we have a large number of profiles and we pioneered this category and definitely we have certain process put in place to ensure that we on-board the right

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customers and backed by a strong delivery process, so we continue to improve, we definitely made lot of improvements on the process side. We definitely see that assisted and personalized services because which got impacted due to COVID and due to some pause on on-boarding, now this business is back on track. We expect this business to also to grow very well, all these factors lead to the overall good double-digit growth.

Moderator: Thank you. We take the last question from the line of Archit Singhal from Safe Enterprises. Please go ahead.

Archit Singhal: Just one question from my side, so the company has over 250 crores of cash which will keep on increasing I think with strong cash flow generation, so wanted to understand your cash utilization strategy and are you looking at any value accretive M&A which can accelerate the growth further, so anything on that aspect will be helpful?

Murugavel Janakiraman: It is 250 crores cash, if we continue definitely cash is going to get added because it is definitely a long way to go in terms of adding more and more cash, it is going to increase on a quarterly basis. If there is an opportunity to our company, we will definitely look at, we will definitely use the cash for that purpose, so as a company yes, we are not limited only by organic growth, inorganic growth opportunity we will definitely, we are open to it, anything comes in the way, anything makes sense definitely we will do it actively, we continue to look for these opportunities and if there is any right opportunity, we will definitely utilize that cash for that opportunity.

Archit Singhal: Are there like any white spaces in the portfolio or any areas which you would like to strengthen via M&A?

Murugavel Janakiraman: Yeah, we continue to look for opportunities because this category by and large is three player category and the rest of the player put together probably a very small percentage, probably all top three players put together probably around 90% market share, probably the balance player all put together 10% market share, again because these are more like small players nothing of any meaningful size, if there are any opportunities, we will definitely look at. We know last year we bought Second Shaadi which strengthened our offering in divorcee category, if there is any company which has a meaningful traction, make sense for us to buy even small player we will look at it, we are not going to buy just for the sake of buying, if it is going to strengthen our offering we will definitely do it, but we do not see many such thing or hardly any such player exist in the market, by and large it is a three player category, rest of the players are not of any meaningful size and also meaningful offerings also by and large.

Moderator: Thank you very much. We will take that as the last question. I would now like to hand the conference back to Mr. Murugavel Janakiraman for closing comments.

Sushanth Pai: I would like to thank everyone who has joined this call today, we look forward to staying in touch and if you have any more questions, you can write to me you know we will be happy to address the same. Stay safe, thank you all once again.

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Murugavel Janakiraman: Thank you Sushanth, thank you Amit, I appreciate everyone for joining the call, look forward to staying in touch.

Moderator: Thank you very much. On behalf of HDFC Securities, that concludes the conference. Thank you for joining us, Ladies and Gentlemen, you may now disconnect your lines.

(This document has been edited for readability)

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