

February 20, 2019

<del>National Stock Exchange of India Ltd Exchange Plaza, 5th Floor Plot No: C/1, G Block Bandra Kurla Complex, Bandra (E) Mumbai – 400 051</del>	Corporate Relationship Department BSE Ltd., Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001 ✓
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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 12<sup>th</sup> February 2019 is attached herewith.

The aforesaid information is also being hosted on the website of the Company viz., [www.matrimony.com](http://www.matrimony.com).

Submitted for your information and records.

Thanking you

Yours faithfully,

For Matrimony.com Limited



**S. Vijayanand**

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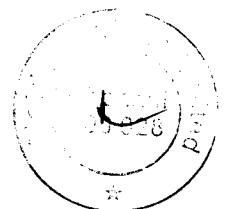


**“Matrimony.com Limited  
Q3 FY2019 Results Conference Call”**

**February 12, 2019**

**ANALYST: MR. DEVANSHU BANSAL – EMKAY GLOBAL**

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





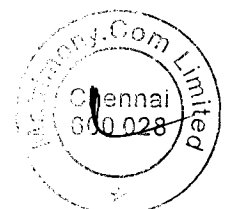
**Moderator:** Ladies and gentlemen, welcome to the Q3 FY2019 Results Call of Matrimony.com Limited hosted by Emkay Global Financial Services. We have with us today Mr. Murugavel Janakiraman, Promoter & MD and Mr. Sushanth Pai, Chief Financial Officer. As a reminder, all participant lines will be in 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, please signal an operator by entering “\*” then “0” on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Devanshu Bansal of Emkay Global. Thank you and over to you Sir!

**Devanshu Bansal:** Good evening to all participants and sorry for the short delay. I would like to welcome the management and thank them for giving us this opportunity. I would now hand over the call to the management for the opening remarks. Over to you Sir!

**Murugavel J:** Thank you. Good evening everyone. At the outset, I would like to wish you all a very happy and successful 2019. On a consolidated basis, Q3 billings were at Rs.85.5 Crores a flat year-on-year growth and a decline of 0.7% quarter on quarter. Revenue was at Rs.85.3 Crores a growth of 1.9% year-on-year and a decline of 2.7% quarter-on-quarter.

Some key highlights for the matchmaking business are as follows. Our billing was at Rs.82.3 Crores a growth of 0.1% year-on-year, a decline of 1.5% quarter-on-quarter. Revenue was at Rs.82.6 Crores, a growth of 3.6% year-on-year and a 3% decline quarter-on-quarter. 3.59 million active profile as of December 31, 2018, a 9.3% increase year-on-year. We added 970000 free profiles in the quarter. Our paid subscriptions were at 175000 for the quarter. The revenues are mainly affected by lower volumes due to price optimization, which we believe is beneficial in the long run. This has resulted an increase in ARPU by about 7.5% year-on-year. We also launched a major campaign with iconic cricketer Mr. Mahendra Singh Dhoni who is our brand ambassador for Bharat Matrimony in the month of December. The campaign has a theme called “Find Your Equal.” We believe and understand that marriages are happier and successful when there is equality in the relationship. We constantly try to offer services that are relevant to customer aspiration. Based on this we also treat our products so that a woman can find equality in the relationship. This also helps us to position our brand different than the other product offering in the market place. The campaign has been well received. I am happy to share that we are seeing an increasing trend in profile acquisition ever since we launched the campaign, the momentum has been continuing in January and February and in fact January we are recording the best ever profile growth. We are also working on various initiatives to improve our overall product experience and productivity using emerging technology. One such initiatives, which we have rolled out in some of the domains is called secured connect basically to enhance the privacy for our woman member.

Now coming to the marriage services business, the key highlights are as follows, billing was at Rs.3.2 Crores a growth of 22.3% quarter-on-quarter. Revenue was at Rs.2.7 Crores a growth of 9.1% quarter-on-quarter. We have the leadership team in place to steer forward the marriage services business and we also started having relevant associates at all levels to enhance the traction. The losses are at Rs.3.9 Crores in the quarter. The overall losses for marriage services will be in



the similar range for Q4 as such. Photography business is leading the growth story and we expect the loss to come down as we progress.

Now let me provide you with some comments on the overall outlook. With an ongoing increase in marketing spend and the better traction in marriage services. We see an enhanced growth momentum as we enter the next financial year and we are expecting Q4 to have a growth in billing that is expected to result in good revenue growth in Q1 of FY2020. Let me pass on to Sushanth to comment on the key profitability highlights. Sushanth over to you.

**Sushanth Pai:**

Thanks Muruga. Let me also add my good wishes to all of you for a happy and prosperous 2019. As Muruga indicated matchmaking revenues declined in the quarter as a result of lower volumes; however, pricing has shown an increase of 3.4% quarter-on-quarter and 7.5% year-on-year due to price optimization. Due to increased marketing spends and lower volumes, our EBITDA margin for matchmaking business is at 21.1% as compared to 27.7% in Q2. However, if we exclude marketing, the EBITDA margin for matchmaking is at 47%, which is at very similar levels over the quarter though our marketing spends are increased, which also indicates the stability in our operational performance. The marketing spends are expected to fuel future growth so the benefits will actually accrue in the future. The marketing costs from the quarter were about Rs.22.2 Crores an increase of 18.5% quarter-on-quarter and 51.2% year-on-year. On a consolidated basis, our EBITDA margins are at 11.7% compared to 19.7% in Q2. Excluding marketing expenses, our EBITDA margins are at 38% again very similar levels over the quarters though the marketing spends are increased again indicating stability in operations. YTD EBITDA margins are at 18.5%. Our cash position is at Rs.200 Crores. The EBITDA to operating cash flow conversion for nine months ended December 31, 2018 has been robust at 90%. The tax rate is 37% as compared to 27% in Q2 mainly due to deferred tax adjustment that we carried out based on the actual tax filing for the year. PAT is at Rs.6.8 Crores. PAT margin is at 8% compared to 15.1% in Q2 excluding the exceptional income of Rs.12.8 Crores in Q3 of FY2018. PAT has declined by close to 33% year-on-year.

Now some points on outlook. The profitability will decline a bit in Q4 due to continued marketing spend and also as Muruga discussed the better billing in Q4 will only translate into better revenue only in Q1 of FY2020. Therefore, we expect margins to improve in Q1 of FY2020. I would like to end with the customary safe harbor statement before we take on questions that 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. We can now open for Q&A. Back to you.

**Moderator:**

Sure. Thank you very much. We will now begin the question and answer session. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Archit Singhal from Safe Enterprises. Please go ahead.

- Archit Singhal:** Thanks for the opportunity. The first question is basically if you see our ad and business promotion expenses as a percentage of sales they have risen to 26% in Q3 versus 21% in Q2, so what I want to ask here is, is there a cap on this number like it will be maintained at a similar level or can it increase or reduce?
- Murugavel J:** The marketing spend has slightly increased because we started that campaign only in the month of December again while the Q3 marketing spend has gone up, which also includes the production cost of the commercial.
- Archit Singhal:** Basically the EBITDA for matchmaking business, which is 21% that should start improving only from FY2020, is that understanding correct?
- Murugavel J:** It will improve from Q1 of FY2020 because we definitely see increased momentum both in terms of profile acquisition and in terms of billing. As you may know that the increase in billing will translate into revenue only one quarter down the line. There is always one quarter of lag, so what is the increase in sales, which you are witnessing in this quarter will result in revenue in Q1. So we see the improved EBITDA margin on the matchmaking business from Q1 of FY2020 onwards.
- Archit Singhal:** Sir second question was regarding the growth so you mentioned that better billings in Q4 will result in a better growth in Q1 of next year so any growth guidance you would like to give for FY2020?
- Sushanth Pai:** No FY2020 we are not giving any growth guidance, but what we believe is overall FY2020 will be a better growth story than FY2019 for us, so we are just going to commence the strategy and plan cycle as we go along in February and March so we will give you a better clarity of FY2020 once the year end results are declared, but right now we are seeing because the way Q1 is trending we believe FY2020 will be a much better year than FY2019.
- Archit Singhal:** Understood and Sir for the Q3, the growth for matchmaking business has tapered down to 2% on a YoY basis, so any one-offs or any particular reason for this?
- Murugavel J:** It is a combination of multiple things. The one, obviously we have done some kind of price optimization and the second is the delay in launching the campaign as we had launched only in the month of December. The growth was not as per the expected plan due to the combination of these two main factors.
- Archit Singhal:** Sir that is it from mine. Thank you and all the best.
- Moderator:** Thank you. The next question is from Nilesh Shah from Envison Capital. Please go ahead.
- Nilesh Shah:** Thank you for the opportunity. I just have a question on the marriage services business. I think the previous quarterly call you had mentioned that growth out there should start picking up from Q3, which is this quarter, which has just gone by, but that has not happened, but could you just kind of throw some more light especially given that January and February has been the marriage season,

so have we kind of begun to see better traction and if you give some colour on that business as well for FY2020 please?

**Sushanth Pai:**

This is Sushanth. On marriage services yes we did say that we expect to see traction and you would have seen that billing has grown from Rs.2.6 Crores to Rs.3.2 Crores, which is actually a 22% increase quarter-on-quarter, so even from a revenue perspective from about Rs.2.4 Crores last quarter, it has grown to about Rs.2.7 Crores, so that way it is a 9.1% increase, so much higher than the company average increase so there is some traction in marriage services, so this has basically been led by the photography business, which is showing the growth story and we also expect some loss to come down from the photography business in the next quarter, but obviously you know we will continue to have some investments there because it has not reached the desirable scale, so from an overall loss perspective, we expect to keep in a very similar sort of a range for the next quarter, so the way to see it is like I said you should see the quarter-on-quarter number for marriage services to see the traction.

**Nilesh Shah:**

Just a follow on question on that business that recently OYO has done an acquisition in this space on the marriage services side, so if you could throw some light because typically players like OYO, etc., are known to kind of burn cash, but obviously it also leads to growth of the industry or the market or the business, so if you could just share your comments, your thought process on this development please?

**Murugavel J:**

OYO has been in venue management, I would say that the business, which was mostly in the North and West and we are not sure about what they are doing with our business and we have three businesses in the wedding services, which is the photography, which is the major part of our business and the another one is the matrimony bazaar, so OYO is not in these businesses. While our matrimonymandaps it is anyway a different platform, so again we do not have any information on OYO So the business model we believe is slightly different from that of our mandap business model, which we are trying to do in our booking. But as far as we are concerned at this point of time of our wedding services photography is a large part of the business followed by the matrimony bazaar. We are building the ecosystem in Matrimonymandaps and we are getting the market place. The business model is right.

**Nilesh Shah:**

I just have a final question on the blended margins for both the businesses at the company levels if I look at it our EBITDA margins for the Q3 is at 11.5%, for the nine months is at 18% and last financial year it was 23% where do you think this margin at the blended company level could settle in some time in FY2020?

**Murugavel J:**

So, we definitely see a good momentum in Q4 and we see that in Q1 of next year. So, we definitely see that margins are bouncing back strongly from Q1 of the following year.

**Sushanth Pai:**

We will come back to it at the end of the year on this guidance for FY2020, but the way to see it is Q4 will have a slight dip because the translation of higher billing will happen in Q1, so therefore

the Q1 margins is expected to inch upwards from these levels I would say from the 11.7% level. it will inch upwards from that onwards in Q1.

**Nilesh Shah:** Fine. Thank you so much. All the best.

**Moderator:** Thank you. The next question is from Devanshu Bansal from Emkay Global. Please go ahead.

**Devanshu Bansal:** Sir we have done quite well on the pricing part, we did 7% YoY growth in FY2018 and in this quarter also we have done 7% growth so how do you think like FY2020 growth would be more of volume driven or it will be a combination of both volume as well as pricing?

**Murugavel J:** We believe that it will be a combination of volume as well as value. As I said the campaign was launched in December and again the campaign is continuing. We are seeing a good increase in profiles. You may know that in the matchmaking business any increase in profile, the benefits of which is seen over a period of time. We have started witnessing a good increase in profile across the market which will transfer into revenue, which is already visible in this quarter. We expect the benefits are going to come in FY2020, so to sum it up on your question there is going to be combination of both volume as well as the value going forward.

**Devanshu Bansal:** Right and on the marriage services part have we turned profitable in any of the operational state in photography business?

**Murugavel J:** Photography business is definitely getting better. It can definitely get closer to the profitability sooner than later, so we are definitely seeing that happening so we are quite pleased with the progress we are making in photography business probably the end of the quarter.

**Devanshu Bansal:** On the volume part can you tell us the number of transactions we did in photography in Q3?

**Sushanth Pai:** We are not giving details of such thing on the metric for photography, but overall the number of events, the number of albums that we are delivering and the number of order booking is continuously on an increasing trend.

**Devanshu Bansal:** That is it from my side. I will come back in queue if I have a followup. Thank you.

**Moderator:** Thank you. The next question is from Miten Lathia from HDFC Mutual Fund. Please go ahead.

**Miten Lathia:** Could you elaborate a bit on this whole pricing optimization strategy and as we see your competitors seem to be choosing volumes over pricing why is it that we would have chosen pricing over volumes?

**Murugavel J:** Thanks Miten basically you know that the markets are not the same across India. We know we are in a strong position. We are fighting with the competitors, so we are looking at how to make advantage of the pricing in a way that where we need to fight, so in that way we are looking at where the price can be optimized so we are looking at the market specific approach to make use of

the advantage. Again, certain markets where the accommodation we are looking at a different pricing strategy basically in that we are able to increase our ARPU.

**Sushanth Pai:**

What we are saying is that the ARPU increase has a combination of various factors. It is not just North or West. It is not that we have increased ARPU suddenly in the North or West. It is a Pan India sort of a market, so therefore in South we had to do some price optimization measures in the South because we have a good market share in the South and we can improve the pricing there, which has not affected volumes as per se as such because like we said some of the things take a little while to come back into the normal territory when you do some measures, but we believe those measures are important because the way we see it in spite of the tightening or optimization of price, we are seeing like the best ever profile growth in January, otherwise it should not have happened, so we believe that our proposition needs to be reached out well to the right people in the right sector, so that is what we were planning. Therefore, the price tightening did take a little bit of beating in Q3, but we believe it will sort of pan out well in the longer term, so therefore we are saying the billing will start increasing or we have seen an increase in trend in Q4, which will translate into revenue in Q1, so it is not a ARPU tightening across every sector and every segment. Wherever we believe it was required and we believe that it will not or rather it will make sense from a longer term perspective we have done that ARPU correction.

**Miten Lathia:**

For the last couple of quarters we have seen ad spends go up; however, the absolute level of profile acquisitions has been more or less flattish, you said January has been the highest ever profile acquisition one could you sort of help us understand how meaningful shift are we talking about?

**Murugavel J:**

In terms of marketing, it is important that in the market place when there are multiple players we need to have a right amount of noise in the market so that we get the benefits of the marketing. While the marketing spend has been moving up, we are only now reaching the level similar to what the competitors are spending in North and West. While the marketing spend appears gone up in Q3, it includes the cost of the production and some bit of celebrity cost. The actual marketing of the new campaign with celebrity M S Dhoni started only in December, we are seeing the momentum in January which has been very good and continuing in February. While the marketing has gone up again if you are looking at Pan India player even the players in the North and West in fact our marketing spend is at similar level as what we are spending in the North, It is important that as a number one player leading player, it is important that we need to invest and grow. We should not be doing anything less than what the competitors are spending in the other markets, so it is important that we have to up our marketing efforts, which we have done it and we are seeing that again with the new campaign. We are seeing the growth in profiles across the market. Again in terms of the profile growth we are definitely witnessing a double digit growth in terms of profile acquisitions in most of the market, so we expect that the momentum to continue, so all those acquisitions will definitely translate into revenue growth starting this quarter.

**Miten Lathia:**

Obviously you need to spend as your competition is also spending, so there is no debate on the fact that you need to spend, the question is around the efficacy of that spend, are we sort of realizing



the same buck for our work as competition is realizing for theirs is a point that we are trying to address?

**Murugavel J:** I am not sure because of the competition, how much of things what they are getting in order because not all the information is public, but definitely we can say from our point of view we are getting the profile growth across the market so we are definitely quite pleased with the momentum on the profile acquisition. We believe that we are doing the right thing in terms of marketing and also resulting in the efficacy of driving more profiles in all those things.

**Miten Lathia:** Are you seeing any scale back of marketing spends by competition at all or the intensity is not changing?

**Murugavel J:** At this point of time, we do not think it is changing and we expect it may continue. Again we are watchful of what the competitors spending in all those things. If at all in the future and if there is a drop in the competitor activity then probably at that point of time we may revisit our marketing strategy. At this point of time, the increase in marketing spend is necessary and if there is any change in the competitor spend and all those things we will probably look at that point of time what is that we need to do probably to optimize or reduce are marketing spend, so while all said and done instead of increase in marketing spend, which we are seeing, we expect that from Q1 onwards that our EBITDA margins are definitely going to bounce back, so the Q1 will set the tone for what is going to happen for the next year.

**Sushanth Pai:** The other thing is the marketing spend also has shown a sharp increase this quarter that you can see from 18.7 to 22.2, we do not expect such a sharp increase in the next quarter, it will settle down somewhere and we will keep reviewing it as we go along.

**Murugavel J:** Definitely, there will be increase in marketing, no doubt compared to Q3, but once that will operate at a similar level it depends on again the competitor activity may reduce, but with our marketing, it is good enough for us to fight anyone in the north and western market while we continue to enjoy the benefits of strong reach in most of the market.

**Miten Lathia:** I have already asked a fair bit of question, so I just wanted to point one thing that Matrimony is already a well know brand right, so let us say for example, if you are spending 2 to 3 Crores behind an M.S. Dhoni you would rather spend 2 Crores to 3 Crores on acquiring profiles, we do not really need to, so if you look at competition they do not have really big brand ambassador right, so I was just asking in that sense as to is having the brand be enforced more important or is acquiring profile is more important at this point in time with the sort of simple point that I was trying to make.

**Murugavel J:** I understand, so we believe that M.S. Dhoni is definitely kind of good choice, the brand ambassador of Bharat Matrimony, the campaign has been received very well. Again as I said it is not only just the marketing campaign, we are trying to push in the matrimony.com, it is a completely different brand compared to the other players, so I think you are talking about is not just a marketing communication alone, we have done the product chain so that woman can find their equal life

partner. it is not a mere marketing communication, it is product differentiator and the positioning and again the mindsets, we are trying to achieve multiple things with the campaign, so it is not just simply a marketing communication.

**Sushanth Pai:** So just want to add also this whole thing is not just a unidimensional approach, it is many things related to it, one is the campaign in itself. but the campaign in itself has a theme, the theme brings in additional feature for a product specification and tweaking and therefore we believe that when we keep doing this on a overall view basis it will definitely create more profile than conversion plus we are also looking at various internal measures as well, marketing is only one angle, but internally as well how do we increase profile. the strategy to do that is also part of this whole game plan in terms of using productivity measures. emerging technology measures in terms of getting the additional profiles, so I think we need to look at it at a multidimensional approach where marketing is one part of the overall scheme of things.

**Miten Lathia:** Sir, you have just launched the campaign, so we will wait for a quarter and see.

**Murugavel J:** Yes.

**Miten Lathia:** Thank you.

**Moderator:** Thank you. The next question is from the line of Vaibhav Dusad from ICICI Prudential. Please go ahead.

**Vaibhav Dusad:** Good evening Sir. Thank you for taking my question. I just have one simple query, I just want to know how is the profile growth in north and west market compared to south market?

**Murugavel J:** Definitely we are seeing a very good growth in profiles across the north and western market.

**Vaibhav Dusad:** Is it better than south market, is it higher?

**Murugavel J:** Yes, some of the market definitely because north has various market.

**Vaibhav Dusad:** Sir, how is the pricing trend in north and west market, any comment on price discounts and all of those things?

**Murugavel J:** That market is highly competitive, so there is a lot of pricing discount, again we are trying to position our brand strength. Yes the price in north and west definitely is not high compared to south or east for that matter.

**Vaibhav Dusad:** So, in January you are seeing improvement right in north and west market profile growth?

**Murugavel J:** Yes, January, February the trend has been good actually.

**Vaibhav Dusad:** Thank you Sir.

- Moderator:** Thank you. The next question is from the line of Darshan Shaha. Please go ahead.
- Darshan Shaha:** Thank for the opportunity Sir. I just wanted to know we have increased the marketing spends in last three quarters, but we are now seeing a corresponding growth in the billings then what gives the company confidence that the current spend would give the higher billings growth in the future?
- Murugavel J:** As I said we launched the campaign only a month ago. while there is some increase in the marketing spend, we have treated the marketing spend not entirely for marketing it also include the cost of the production of the TV commercial. What gives us the confidence is that there is an increase in profile acquisitions happening across the market when compared to what we were acquiring in the last couple of months and there is an increase in billing what we are seeing already in the current quarter. This gives the confidence that we are on the right track both on the marketing profile acquisition and their conversions and also if you understand definitely the competitor market spend also gone up in the north and west, so when the competitor activity in the marketing spend gone up, it is important that we also need to spend in the market so that the intense activities continues in the north and west. We may need to counter with that and in the future when the things goes down and they may optimize our marketing spend in those market then it may bring down our marketing spend. At this point of time the increased marketing spend, which will be slightly more than the current marketing spend is necessary for growth and they increase our market share.
- Darshan Shaha:** Thank you.
- Moderator:** Thank you. The next question is from the line of Aman Agarwal from Multi act. Please go ahead.
- Aman Agarwal:** Good evening Sir. Just one question, even in spite of the high marketing spend that we are doing currently our growth has been tapering down over the last 5 to 6 quarters, so what is the reason for that?
- Murugavel J:** I am sorry.
- Aman Agarwal:** Growth has come down from 15% say in December 17 to 2%, so what is the reason for that absent in marketing spend?
- Murugavel J:** One thing definitely to note that we are seeing an increased competitor activity across the market in north and west, post our listing plus we have also taken corrective steps. The combination of the increased competitor spend and high discount, which made us to rethink on our strategy. Hence we launched that campaign which has basically changed the market scenario and the competitor scenario, activity discount, etc. All these factors impact our growth and now we are bouncing back on our growth from this quarter?
- Aman Agarwal:** Understood. Thank you.
- Moderator:** Thank you. The next question is from the line of Ruchi Borde from BOB Capital. Please go ahead.

- Ruchi Borde:** I had one question, if you see our active profile has been growing and I guess that is more or less function of how you are creating more awareness with branding or advertising spend, but if you look at your paid subscriber for first nine months of the year there has been decline. so how do we ensure that though we get more active registration, but they become paid customers for our product?
- Murugavel J:** Yes, because if you look at the paid subscription, it is a combination of multiple things. You have three months, six months, one year various packages, but the revenue growth has been flat and again it is a function of the number of new customers what we are acquiring. If you look at the profile acquisition in the last four quarters, it has been fairly around 1 million profiles on a quarterly basis, so when the increase in the profile acquisition happens it will translate into subscriptions. we have started the campaign in December and we have seen an increase in profile acquisition only in the last couple of months. In this quarter the profile acquisition is better than the profile growth what we had in the past because it translate into a more number of paid subscription. Yes, the profile acquisition for the last four quarters has been flat that is one of the primary reason and again it is coupled with the other competitor activities like discount all those things,
- Sushanth Pai:** So, the other way to look at it is also the nine months to nine months is not declined drastically, it was such small decline of 0.6% from a nine months to nine months perspective.
- Ruchi Borde:** I understood. Sir, we have taken corrective action in terms of increasing the advertising spend, have you also added some sales process change, which would ensure higher conversion rate, if you could talk about that it would be helpful?
- Murugavel J:** No, we are definitely looking at various strategies to increase our conversions using technology processes, so continue working on it. Yes, as you progress probably you will be able to make advantage of these emerging technologies, so definitely there is a lot of work in progress.
- Ruchi Borde:** That is it. Thank you.
- Moderator:** Thank you. The next question is from the line of Ganesh A from I Thought Financial. Please go ahead.
- Ganesh A:** So, I just have a question with relation to the capital allocation, so you said you have cash of around 200 Crores in the books right, I wanted to know how exactly the capital will be allocated in the forthcoming year, would that be completely towards advertising spend or would you be spending more on the mandap services and marriage services?
- Sushanth Pai:** You know broadly this business is a cash generating business, so 90% if you see EBITDA has converted into cash basis, so broadly we will be spending one is marketing, one is there will be some investments into the marriage services business and third is capital allocation we will be also looking at how do we look at a dividend policy in more detail as we go along when we become more profitable at a PAT level, also is one aspect that we will be looking at.

- Ganesh A:** Thank you and just one more thing, could you give me a broad or rough breakup of how much will be allocating towards dividend in marriage services and in the marketing side. very broad bifurcation?
- Sushanth Pai:** We have not decided any allocation policy because like I said like we indicated there are some things that we are working on to make sure that the billings translate into revenue and we have a better Q1 of FY2020, I think when things fall those things fall in shape and which is right now on track that time I will have a better clarity on how the year or next year shapes like.
- Ganesh A:** So you are saying like Q1 when you hold another investor calls like this once again we will have a better clarity on how the capital allocation is going to be?
- Sushanth Pai:** Yes, right now broadly I said it will be marketing, some amount will go into salary increments and those sort of things for the year and the third will be like a dividend to shareholders.
- Ganesh A:** Thank you.
- Moderator:** Thank you. The next question is from the line of Deep Shah from Ambit Capital. Please go ahead.
- Deep Shah:** Thanks for the opportunity. Sir, two questions, if I look at other line items employee cost and other spends, the other spends have been more or less flat and employee cost has been growing by 5% over the last two quarters, so how confident are we to maintain this cost utilization and the second question was that last quarter we have alluded that the UAE business should start something soon, what is the progress on that? Thanks.
- Sushanth Pai:** The Dubai business you are asking?
- Deep Shah:** Yes.
- Sushanth Pai:** So, the Dubai business has started become operational since January 2, 2019 when we started the operations though we have reported that as a subsidiary at Q3 there was no operations, we started the operations only in January, so it is only one month that is complete, so therefore it is a transition in progress, we have added people there, we have revenues and some cost, I think when the quarter goes by we will have a better feel of how the run rate is in the Dubai business, that is operational right now.
- Deep Shah:** Thank you.
- Moderator:** Thank you. Next we have followup question from Aman Agarwal from Multi act. Please go ahead.
- Aman Agarwal:** Sir, just one thing, you said in January and February double digit growth in volumes are these paid volumes or free subscriber?

- Murugavel J:** No, it is a profile acquisition, not paid.
- Aman Agarwal:** Their conversion rate is similar to previous?
- Murugavel J:** No, that is number of paid subscriptions.
- Aman Agarwal:** Thanks.
- Moderator:** Thank you. The next question is from the line of Prajwal Gote from B&K Securities. Please go ahead.
- Prajwal Gote:** Thanks for taking my question Sir. Just wanted to understand on the marriage services business, when can we expect that this investment will continue and can this be an understanding from the management and that if the losses continue in the similar level can there be a possibility that we exiting the marriage services and refocusing or rethinking on the matchmaking side of business again?
- Murugavel J:** We believe that all these business are in the right direction and we see value and opportunity in these ventures and we expect probably photograph business become a profitable sooner than later. We believe that all these businesses are at different stages and we are looking for a long term. If at all in the future if we think if some of the business has not been in the right direction, we may re-consider whether we will continue or not. However, we are quite excited about the opportunities and quite bullish, so at this point of time we are highly committed to all this business.
- Prajwal Gote:** Just on the numerical part, how many events we might have participated in married services business?
- Sushanth Pai:** No, see the married services business has different components, so we cannot say by events for example, photography is based on events, the bazaar is based on leads, commission, those set of models so it is not a single sort of dimension for these businesses, so right now we are not disclosing any sort of these metrics, but all I can say is in each of these businesses the leads, the commission or in terms of events for photography has actually on a rising trend.
- Prajwal Gote:** Got it Sir. That is it from side. Thank you.
- Moderator:** Thank you. That was the last question on queue. I would now like to hand the floor back to the management team for closing comments.
- Sushanth Pai:** Thanks everyone for joining this call. It was a great talking to you. If you have any questions you can write to us and we will be happy to answer them and look forward to staying in touch during the quarter. Thank you so much.
- Moderator:** Thank you very much. On behalf of Matrimony.com Limited that concludes the conference. Thank you for joining us. Ladies and gentlemen, you may now disconnect your lines.

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(This document has been edited for readability)

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