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August 24, 2018

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 13th August 2018 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**

S.Vijayanand
Company Secretary & Compliance Officer
ACS: 18951
No.94, TVH Beliciaa Towers, Tower II, 10th Floor, MRC Nagar, Chennai – 600028

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"Matrimony.com Ltd Q1 FY19 Earnings Conference Call"

Aug 13, 2018

MANAGEMENT:

MR. MURUGAVEL JANAKIRAMAN
PROMOTER & MANAGING DIRECTOR
MR. BALASUBRAMANIAN K
CHIEF FINANCIAL OFFICER

Moderator: Ladies and gentlemen. good day and welcome to the Conference Call to discuss Q1 FY19 financial performance of Matrimony.com Limited hosted by Batlivala& Karani Securities India Private Limited. As a reminder all participant lines will be in a 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 * and 0 on your touch tone phone. Please note that this conference is being recorded. I would now like to hand the conference over to Mr. Tushar Wavhal. Thank you and over to you sir.

Tushar Wavhal: Thank you everyone for joining us on the Q1 FY19 Conference Call of Matrimony.com Ltd. We have with us the senior management of Matrimony.com Mr. Murugavel Janakiraman - Promoter and Managing Director; Mr. Balasubramanian- Chief Financial Officer. We will start the call with opening remarks from the management, post which we will open the call for Q&A. With that I will hand over the call to Mr. Murugavel Janakiraman. Over to you sir.

Murugavel Janakiraman: Thank you Tushar. Good evening everyone and welcome to our Q1FY19 investor call. I'll take you through the consolidated quarterly performance of the company initially and then we'll cover the performance on each of the two segments we operate. In the end we'll be happy to take questions. Matrimony.com, the leading online matrimony company has achieved a consolidated revenue of Rs

89.6 crores for the quarter, a growth of 6.8% against the corresponding quarter of the previous year. The earnings before interest, tax and depreciation, EBITDA for the quarter was at Rs. 21.2 crores against Rs. 19.7 crores for the corresponding quarter of the previous year; a growth of 7.2%. The EBITDA margin for the quarter was at 23.6% and it's akin with the corresponding quarter of the previous year in spite of the increased marketing spend by 14.9% year on year. The company's consolidated net profit before tax for the quarter was at Rs. 21.2 crores against Rs. 17.5 crores of the corresponding quarter of the previous year; a growth of 21.2%. The company's consolidated net profit after tax for the quarter was at Rs. 15.6 crores against Rs. 14.9 crores for the corresponding quarter of the previous year. The carried forward loss of the earlier year has been adjusted in the last fiscal and the current year income tax provision is based on normal tax rate applicable to the company. Business is witnessing an intense competition in the north end and in some parts of the western markets combined with a discount on subscription package. This heightened marketing spend by competition, which did discount in those markets, has impacted our growth in the match making segment particularly in the north and western markets. The company has launched a mobile app, a lighter version with vernacular option in eight languages in the month of June 2018 and also launched global Muslim match with eight

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region specific types to cater to the 1.5 billion Muslims in the Middle East, USA, Europe, Indonesia, Bangladesh and Malaysia. The company is establishing a wholly owned subsidiary in UAE. We expect to commence operation in September 2018. Coupled with this initiative and higher market spend in the coming quarter we expect to get back to much higher, much healthier growth. The segment results for match making - match making segment revenue for the current quarter was at Rs. 85.9 crores as against Rs. 79.0 crores for the corresponding quarter of the previous year, resulting in a growth of 8.8%. 10 million mobile apps have been installed as on 3rd August 2018; pre-registration in the current quarter exceeded the 1 million mark and grew by 13.3% over the corresponding quarter of the previous year. Of the total pre-registration over 80% was done through mobile apps and WAP. Out of the overall profiles added in the quarter, 60% were posted by singles themselves. 17% profiles were added by parents and 23% profiles were by siblings, relatives and others. Around 27,000 success stories have been reported to the company in Q1 of the current financial year. EBITDA for the quarter was at 27.7 crores as against 26.1 crores for the corresponding quarter of the previous year. EBITDA margin for the quarter was marginally lower at 32.2% against 33.1% for the corresponding quarter of the previous year, as a result of higher marketing spend. Moving on to marriage services segment: marriage services revenue for the current quarter was at Rs 3.6 crores as against Rs 4.9 crores. The marriage services segment, which is in a nascent stage, has undergone a business process change to firm up the profit business model. This segment is expected to have a healthy growth from Q3 onwards as Q2 is historically a lean quarter for marriage services in the southern market. For the quarter was at Rs 3.1 crores as compared to Rs 3.6 crores for the corresponding quarter of the previous year. We are now open to take any questions that you may have. Thank you.

Moderator: Certainly sir. We will now begin the Question & Answer Session. Participants using speaker phone are requested to use the handset when asking questions. To enter the question and answer queue please press * and 1 on your phone now. If you'd like to withdraw your question and exit the queue press * and 1 again. We have our first question from Mr Anshuman R from Marathon Edge. Please go ahead.

Anshuman R: Congratulations to the management on their result. I've a quick question, sir can you tell us what has been the conversion rate in terms of what are the new subscribers and what are the paid subscribers for the quarter gone by?

Management: Anshuman thank you. We're not sharing the percentage of the conversion from free to paid because we believe it's all competitive information. We don't like to share what percentage of members have converted because the conversion has various components. We have free members and we have

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members who have converted into paid members. Within the paid members we're talking about first time renewals and second time renewals and people going for the conversion very first time. So conversion has multiple components. So this information again we're not sharing in the public domain as we believe it's a competitive information which we don't like to share here.

Anshuman R: Sure; just another quick question following up on that- what about the average transaction value for the quarter gone by?

Management: The average transaction value for the quarter one was 4,477.

Anshuman R: Thank you sir.

Moderator: Thank you. We have a question from Sahil Desai from Hornbill. Please go ahead

Sahil Desai: Hi, thanks for taking the question. Just wanted to check on the revenue growth; if you can help us understand one on a comparable basis given that ex of the GST adjustments, what kind of comparable growth is there and secondly since we're seeing pressure in the non-south market which is outside our core markets, would you be able to give us a split of how the growth was in your core South Indian market versus how it's panned out this quarter in the rest of the country?

Management: Thank you Sahil. Taking the GST into consideration the growth would have been 11%. And moving on to second question in terms of what would have been growth for south versus other parts, obviously while overall the match making grew by 8%+ and the growth was higher in the southern market compared to the northern market. While we're not sharing the exact split between what is the percentage of growth but the growth was higher in the southern and eastern market compared to the north and western market.

Sahil Desai: Okay and in the northern and western market is there a decline? Can you share the direction? There's a decline in that market?

Management: No, it's not a decline; compared to the overall market growth, the growth was not that high.

Sahil Desai: Okay positive growth but muted growth basically.

Management: Yeah it's a sort of muted growth to a large extent.

Sahil Desai: Okay and has that largely come through volume share loss or is it mainly realization cuts?

Management: It's a combination of both because we definitely see intense competition in north. by and large in northern market and to some extent in western market. It's a combination of volume growth as well as realization because there is huge, high discounts happening in the northern market.

Sahil Desai: Got it. And in South India, I understand you may not be sharing numbers but just in terms of momentum, is it better or is it slightly weaker, if you can share something like that in terms of at least the growth momentum in south India which is our core market.

Management: No, no, the growth momentum definitely has been very good in the southern market and also in the eastern market, both in terms of profiles and revenue,. The regions where we are having a challenge are the north and western market. Higher marketing spend by competitors not commensurate to the revenue. So that's something which we've been watching and we also need to take steps to gain market share or to retain our markets in the north and western market. We're definitely watchful of the increased marketing spend happening in the northern and western market and we need to respond to the increase in marketing spend by the competitors. We need to up our marketing spend in those markets because we being a leader, it's important to retain our market share and grow our market share. We've been having a 60% market share in the online match making business among the organized players. We believe it's important to step up our marketing to gain our market share across India and mainly in the western and northern market.

Sahil Desai: Sure, sure, that's helpful; thank you. That's all from my side.

Moderator: Thank you sir. We have our next question from Mr Pranav Kshatriya from Edelweiss. Please go ahead sir.

Pranav Kshatriya: Hi, thanks for the opportunity. My first question is partly answered but I still want to know that the relatively slower growth, will you attribute it to loss in the market share or it's a decline in the market size itself or relatively slower growth of the market I would say. And my second question is - you talked about launching the app in the year in more languages and the launch of a lighter app as well as expansion in the Middle East. Can you give us some colour on how much are the investment requirements and what do we expect in terms of its implication on the EBITDA margin or the capex?

Management: See in north apart from Bharat Matrimony we have Shaadi and Jeevan Saathi. In the last three quarters there is an increasing marketing spend by Shaadi.com.. Post our listing there is increase in marketing spend by Shaadi.com; even Jeevan Saathi, they've increased their marketing spend. Competitors at this point of time in the north and west are spending more than us, so there is an impact in terms of number of profiles and realization, due to high discount in those markets. Our marketing spend at this point of time in the northern market is less compared to the competitors' marketing spend. As I said the kind of money the competitor is spending compared to the revenue is very high. So as a leading player, with 33% EBITDA margin in match making business, we need to step up our marketing spend in north and western market to improve our share and also to grow share in the long term. If the intensity of the competition continues we will step up our marketing campaigns. Coming back to your second question on vernacular languages. India has large vernacular users and there are around few hundred million internet users. Another few hundred million users are expected to come into the system in the next couple of years. Most of these users are going to be vernacular users. So far no one has got the vernacular strategy, right. Again we've launched these vernacular light apps. It's too early for us, it's just launched. We have to get the feedback on the usage and their experience on the product. We've launched this app to ensure that we're not missing on the vernacular growth opportunity in India. It's an effort to corner the increased vernacular users in India. Based on the feedback from the consumers we'll fine-tune the app and ensure that we're getting the strategy right. We're a strong Number 1 player in Sri Lanka though the revenue is very small. We want to take the success of running a business in the international market like Sri Lankan Matrimony plus in other countries also. We want to take the success of running our operations in the international market the way we segmented match making in India. We plan to focus on the global Muslim market. The market is crowded with many players. Again most of the players are small players. We just want to test and understand the market before we commit large investment. At this point of time it's just launching the app: a small marketing spend and we just want to ensure that we're getting everything right before we scale up. It will not have much impact on the EBITDA due to the marketing spend on the global Muslim market.

Pranav Kshatriya: Sir if I can ask you one more question, can you give us some comment on your other services part where there is still some cash burn. How are you seeing growth in the different parts of the marriage services businesses, the wedding photo shoot and other services? Any comment will be helpful.

Management: Sure; Wedding services has three businesses, Matrimony Photography, Matrimony Bazaar and Matrimony Mandap. All I can say is that all these businesses in our view are probably in the right direction. We want to get the business model right before we scale up the business. In photography, some of the changes what we've done, we believe that it's really helping us to move in the right direction . The changes have significantly improved the wedding photography business. We're doing the right thing in terms of collecting the money prior to the execution of the wedding because we had a collection challenge in the past. We're making some of the changes which we believe is important in the long run and for long term success of the business. We believe photography has progressed in the right direction and even the other business too, Matrimony Bazaar and Matrimony Mandap. Also want to highlight a point that in wedding services no one so far has got the model right. We believe that we're in the right direction because of the advantage of matrimony.com in which we have a database of people who're getting married through matrimony.com. While the reported marriages through matrimony.com last quarter was 27000 marriages, the number of overall marriages reported, including people who got married through other sources, by other means were 100,000, including 27000 people who got married on account of matrimony.com. We have a large database of customers who are reporting getting married. We have this opportunity to leverage the user base once we get the model right; So once we have achieved some internal milestones what we've taken, we'll scale up the business across the market as the business at this point of time by and large confined to southern states or only one or two states. It's not a pan India business. Once we take the business to a pan India level, I believe growth will be much better. Again at the scale and size, we definitely see a much improved metrics in terms of business and performance.

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Pranav Kshatriya: Thank you so much sir. I'll come back in the queue.

Moderator: Thank you. We have a question from Prajwal Gote from B & K Securities. Please go ahead.

Prajwal Gote: Hi sir, thanks for taking my question. I just wanted to understand about the tax rate as you said carried forward loss is over now. So is it fair to assume that your tax rate would normalize in the coming period. Can we get to see the tax rate stabilizing at like 30% odd, is that the right assumption?

Management: That's right; your assumption is correct. The carry forward loss has been fully consumed in the last financial year. We'll be paying the full tax from the current fiscal.

Prajwal Gote: Okay. And second question would be sir on secondshaadi.com, sir as you had indicated earlier that you've just completed acquisition of that. I just wanted to understand the contribution and what is the ATV and how's that business progressing?

Management: It's a small part of our business. It's a part of community matrimony.com. We're managing various sites including Divorcee Matrimony which is the largest player in the divorce segment. Actually Second Shaadi which consolidates our position with respect to second marriage.

Prajwal Gote: Okay understood sir. Sir and can you please elaborate more on the Middle East part as you said right now. What would be the ATV there sir? What is the ATV we're expecting and what is the revenue contribution expecting from there?

Management: No Middle East is again one of the important overseas market. Next to USA is the Middle East market because we have a lot of expats in the Middle East market. Lot of south Indians including Malayalees and Tamilians, because South India is one of the very strong markets for us. So having an office in

Dubai, obviously we'll be able to monetize it better. Again it's one of the important markets outside of India and also mainly we're keeping our global Muslim match opportunity. In the long run you know it could be our international office to manage the global Muslim match operations. That way Dubai works very well because we'll be able to effectively manage global Muslim match operations from Dubai market.

Prajwal Gote: Understood. Just book keeping on Middle East market sir, what is the investment you've done there and can you please guide us on the ATV and how big is that market?

Management: Again the NRI market is small but overall of course NRI is an important market. It's market size is reasonable and investment is just 50,000 AED to begin with. Again as I said, it is next to US. UAE is one of the important market for us. But again in terms of overall revenue for matrimony.com it's not so big. We're looking at an office in Dubai keeping it in order to increase the revenue in that market. Yes there'll be some increase happening; It'll be a very small increment compared to what we're doing with respect to our matrimony.com but in the long run it will help us in the global Muslim match operations. So in terms of ATV it will be better than India as we charge slightly more compared to what we charge in India. So if we look at overall ATV it's around 4000 plus at a consolidated level; If we look at India, plus outside India – outside India is definitely much better than India.. We're not sharing the region specific ATV but we're sharing only the consolidated ATV. Net-net the ATV definitely is more compared to India.

Prajwal Gote: Understood sir. My last question would be on the match making services, the marriage services front sir. Sir and are you reiterating your guidance which you had given before about the losses, you said that it will be at 3 odd crores. Sir how will that be going forward? Is the expectation still same or any further development?

Management: More or less it will be the same. We've not changed it, it will more or less operate at 3 to 4 crores only.

Prajwal Gote: Okay sir understood. That's all from my side; thank you so much sir.

Moderator: Thank you. A question from Amarjeet Maurya from Angel Broking. Please go ahead.

Amarjeet Maurya: Hello sir; just wanted to understand more on wedding services related. So just give me a bifurcation between the Photo, Bazaar and Mandap, both in terms of EBITDA loss as well as revenue. Last year it was around 16 crores revenue and EBITDA loss was around 17 crores. So what was the mix?

Management: Amarjeet you know the business is very early stage. At this point we will not give you a segment level break up. But most of the business in wedding services is coming from photography.

Amarjeet Maurya: Okay so, do you have any number about how much, last year how much you did photo and videography in terms of numbers?

Management: Most of the revenue in wedding services was through photography business. But we're not giving the segment break up for each.

Amarjeet Maurya: I just wanted to understand the numbers and you know what was the average cost, average realization and apart from that how much numbers you're doing and how much numbers more you'll do so you'll get break even. So on that front and apart from that what is the big fixed cost and variable cost in this business?

Management: See most of the cost for wedding services are the fixed cost. Mostly it's the people cost **(25:28)**. In terms of break up by business, at this point of time considering that it's in a very early stage and also considering there's competition, there's lot of competition in the wedding services; we're not giving the breakup of these businesses. And in terms of **(25:52)** definitely photography has moved up well because we have tightened the cost. One of the reasons why revenue on the wedding services is less compared to the corresponding quarter because we're doing some of the important changes for the long term benefit of the business including tightening of the packaging cost and collecting the money well in advance so that we're not having collection issues when the wedding is executed. So we're doing some important changes to make the business viable and successful in the years to come.

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Amarjeet Maurya: So when you're expecting EBITDA level break even?

Management: EBITDA level break even in terms of photography, we are looking at making the business profitable at the state level as we're operating in four southern states. So even if tomorrow we are able to achieve break even in one of the states, we can achieve break even in all the southern states. By the time we take that across India this will once again get into losses because we're expanding into newer geographies. So the business will continue losing money because today the business is operating only in few markets and when we take the business to pan India the business will continue to lose. Expecting the business EBITDA at aggregate level may be a challenge in the near time. But the business may become profitable or break even at state level, yes that is possible. That's what we're trying to achieve; we want to get the business at a break even or close to breakeven in the market in which we operate before we expand the business in other markets. When we take it to other markets business once again will get into losses. So to come back to your question - is business in the near term going to be EBITDA breakeven? No; In wedding services the opportunities are predictable, looking at how to scale up this business without losing a lot of money would be our objective. At the same time getting our business model right at a geography level that's important for the success of the business model. So we're looking at achieving that objective; get the model right, become profitable then scale the business model.

Amarjeet Maurya: Sir what you said your fixed cost, employee? I mean what is your fixed cost in this?

Management: The fixed cost if you're talking about is people who are photographers, designers etc. There are people who are part of other businesses also.

Amarjeet Maurya: You are already hired for the one year, two years photographer in advance?

Management: It depends on certain scale and size. We have a combination of full time guys, plus we have retainers, it's a model combination of both.

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Amarjeet Maurya: Both full time and part time?

Management: Full time and part time and the freelancers so that business is optimized. Because when we set up the business, the business has initial costs.

Amarjeet Maurya: Because what I understand is - wedding is a seasonal business. So whenever we require we can hire the employee. So somehow we can manage the losses instead of hiring a full time.

Management: Yes I agree with you. That's why we're looking at how to balance in terms of full time versus the freelancers, the retainers; you're absolutely right, managing it effectively so that the cost is maintained. Again it's a good thing that what is non-seasonal in one market is seasonal in other market when it becomes a pan India business. It's a given thing that while December is not a season in south, it is a season in the northern market. Business gets balanced at a certain scale and size. But we definitely are mindful of the point what you've mentioned; we've also structured the business accordingly. It's not that we have everybody on the rolls of the company. We balance in such a way that the cost is optimized in all the things. At the same time taking into consideration the delivery aspect of the business.

Amarjeet Maurya: Okay sir, thank you.

Moderator: Thank you. We have a question from Mr. Archit Singhal from Safe Enterprises. Please go ahead.

Archit Singhal: Hi, thanks for the opportunity. A few questions from my side. Firstly on matchmaking, sir could you tell the contribution of northern and western markets to your revenues and what would be your market share in these markets?

Management: We are not giving the exact market share in terms of the revenue mix. But I would say that majority of the revenue for us comes from South and Eastern markets put together; North and west definitely contribute a certain percentage of revenue which is a meaningful size. But we are not giving exact breakup of the revenue for competitive reasons. Because of the intense competition, only certain part

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of the market is affecting our growth at this point of time at an overall level. But having said that once we step up our marketing, we get more profiles and the growth can be better.

Archit Singhal: And sir we do not disclose the market share also in these markets?

Management: No because the market share at an overall level is based on revenue and certain information. We have a 60% market share. We don't have the dominant market share. In our view the market share would be divided between all the three players. While we may not know the exact percentage but we believe more or less around 30-35 kind of range. The best estimate at this point of time - in the north and west, the markets are all divided amongst the three players. So around 30-35 or 40, depends on who has what kind of market share and all that.

Archit Singhal: Understood. And sir just wanted to understand on the marriage services business you just mentioned that you will continue to lose money in the near term. But is there any timeline or any let's say revenue level after which we can start seeing EBITDA break even? I mean any timeline in your mind?

Management: No I don't think there is any timeline at this point of time because there is opportunity in the wedding services. Each of the opportunities can run in very large revenue size. So that being the case, it is too early to say that this business will become profitable because we are not chasing a 50 crore or a 100 crore business opportunity in the marriage services vertical. These opportunities can be very large opportunities again as we progress. As I said at this point of time, the focus is to get the model right. So even when the model becomes right, the opportunity if you look at photograph, it is a multi-million dollar opportunity. So when to say the business is profitable - when the business becomes pan India and it becomes on an aggregate level, to consolidate in one state it is profitable and in another state not being profitable. I am not sure when that will be. But at this point of time, in the near term it doesn't look so. Maybe as we progress, maybe one or two years down the line we may have a better view. But all we can say at this point of time is the focus should be to get the model and the growth and scaling up across India.

Archit Singhal: But sir is there any revenue level which you would be happy with? Or maybe any revenue level after which we can see the cash burn reducing at least?

Management: The cash burn at this point of time, in our view is not very eye-catching because in the internal business it is important to address the leadership, important to get the model right. Because wedding is a very large opportunity. So in our view we see 3-4 crores, as a company we are doing very well in creating a business model without losing a lot of money. You may know that in the entire business where people burn a lot of money to get the model right. In our view we are developing three businesses with average loss per quarter of around 3-4 crores, As company management we are doing a very good job of creating a very large opportunity hopefully in the future, by burning only limited cash. So that being the case, our focus is to get the model, scale it up. I am not in a position to say at this point of time when it will become profitable and under what level we will be happy because it's too early to say on those things. So I think the primary focus at this point of time is getting close to our breakeven or achieve the metrics what we want to achieve and scaling up the business across India. That is the thing now. So target revenue on wedding services, no may not be also. May be even 1000 crores probably. Only time will tell.

Archit Singhal: Understood sir and final question again is regarding matchmaking services. You said that because of the competition you will have to incur some marketing expenditure to maintain your market share. So is it like the EBITDA margin which we saw in first quarter? I mean can we see a similar kind of margin for the full year or can there be a pressure on the margins because of the marketing expenditure?

Management: At this point of time because there is a competitor spending disproportionately high i.e. marketing spend compared to the revenue. So that being the case, internal business it's important to defend the market share. So you need to invest big in marketing if the competitive intention in those markets continue. If you have to respond to marketing to match that trend or more, that can definitely impact EBITDA margin. So yes, again we are watchful of. It depends on how they are in quarters to come. It is again how the competition is going to behave. So yes if increase in marketing spends continue, that will impact on EBITDA margins by a few percentage points.

Archit Singhal: Okay. This is very helpful sir. Thanks a lot and all the best.

Management: Thank you.

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Moderator: Thank you. We have a question from Shailesh Kumar from Sunidhi Securities. Please go ahead.

Shailesh Kumar: Thanks for the opportunity. Is it possible for you to share what percentage of your top line comes from Southern market?

Management: Majority of the revenue comes from southern market but we are not giving exact percentage because of the competitive reasons. We don't want to clearly spell out what is south.

Shailesh Kumar: Alright. And have we been able to outline our dividend policy? Because last concall you have said that you will discuss with the board and come out with the clear dividend policy. And we don't have any major capex lined up. And having a healthy cash flow generation. So...

Management: The dividend policy has been discussed in the board and that is how the policy of Rs. 1.50, 30% of the face value of the shares has been declared and that will be paid in another 10 days' time. As you know that the cash is being retained in the business for its own growth. Like Mr. Murugavel was mentioning about spending, marketing could be an additional spend required. And for all profit opportunities across the system. So board will definitely review this policy year on year and take an appropriate action as it deems fit.

Shailesh Kumar: So should we presume based on this discussion that we are also looking for inorganic opportunities in this space? I mean we are open to inorganic opportunities in this space?

Management: Yes. As a company we bought one of the small opportunities, Secondshaadi.com. As we progress, if the opportunities make sense, yes we will definitely be open to look into it.

Shailesh Kumar: Thank you very much.

Moderator: Thank you. We have a question from Mr. Rohan Advant from Multi Act. Please go ahead.

Rohan Advant: Thanks for taking my question. Sir I had a question on the paid subscription. If you look at your YOY growth, the paid subscriptions have grown from 1.90 lakh to 1.91 lakh. So it's more or less flat. So all growth in this quarter is price led. Given that there will be pressure on pricing how do you plan to increase your conversion rate and you know how do you plan for a revenue growth in this environment then?

Management: Okay thank you Rohan. One thing is that we are also looking at in terms of the north and western market because of the competition and then huge discounts being given by the competitors which are affecting the growth in the northern market. So if we look at it segment wise, in south we have a better growth compared to the northern and western market. So one of the things we are looking at due to increase in conversion, we are looking at continuous investment in product and artificial intelligence and **(38:50)** app so that we are able to offer a superior product and experience to the customer. Also use the machine learning or AI based technology to improve the conversion. There is ongoing investment in improvement which we are doing in our organization. Hopefully these efforts can possibly culminate or help us to combat better. So the thing is we have to definitely get more profiles and focus on converting those free members into paid members. Getting a profile is a function of marketing and again the brand which we built and conversion based on sales effort again continuing some of the technology like artificial intelligence and better products. These are things we continue to work on and push to get better conversion. So we are investing big on the product side; we are investing big on AI side. So those are things which are happening. Those are things which hopefully can help us to convert better.

Rohan Advant: Okay. And my second question is I wanted to understand the sensitivity of our growth to advertising. Because say in a market like southern market where we have a very strong position, even if a competitor advertises heavily it is unlikely that a prospect would go to that competitor because there isn't a number of profile that is there with the competitor to make a value add for him. But in the north and west maybe we don't have a relatively strong competitive advantage or market share as we have in the south. So there is there a requirement to actually match competition and advertisement or else we would lose market share. And if the same happens in the south would we have to increase advertisement in the south as well or you feel comfortable in the southern market?

Management: I think Rohan you already answered. So whatever you said was absolutely right. In south we don't have to challenge even the competitive advertisement and all, because of the network effect we have a large number of profiles. It does not have any impact on the southern market and to a large extent in the eastern market as well. So as you rightly said in the north and west while we don't have strong reach or in terms of the profile where we are not too significantly different in terms of size and even on other aspects, there marketing definitely has an impact on the customer signing up with our services. If the competitors can drop the money, the customers prefer to sign up with the competitors. As you rightly said in the north if we don't advertise, we may lose on profiles and it may have an impact on the conversion in that market actually. So it is important to match competition or spend more compared to even competition in those markets to gain market share.

Rohan Advant: Okay. Sir and regarding the subsidiary in Dubai I believe we had a business in the Middle East a few years back which we had I think shut down. So what is the different strategy this time? And you can correct me if I am wrong on this sir.

Management: Previous to IPO, the structure was actually different. In Dubai it is a partnership firm so we had to shut down the partnership firm. Now we are establishing our 100% owned subsidiary which is the difference actually.

Rohan Advant: Okay. And sir the last question was regarding if you could share the cash balance on our books and would you consider a buy back based on where the share price is right now.

Management: Shares as you see it is around 170 crores plus in the various fixed deposits and liquid funds that we have, which we are currently depositing. Yes the buyback can happen. Only thing is we just came out with the public issue. We are wanting to invest in the brand and look at all the options available on hand and the board will review the whole situation on year on year and take an appropriate call.

Rohan Advant: Okay thanks for taking my questions and best of luck for the future.

Management: Thank you.

Moderator: Thank you. We have a question from Mr. Prajwal Gote from B&K Securities. Please go ahead sir.

Prajwal Gote: Hi sir, thanks for the follow up question. Just wanted to understand on the marriage services front what are the number of events you have conducted this quarter in the photography business? Can you please share that?

Management: It is close to 1000 or maybe less than that. I don't know the exact number.

Prajwal Gote: 1000. And what would be the number for you to breakeven?

Management: Again we believe that probably the number gets close to double of what it is today.

Prajwal Gote: Okay understood sir. And sir just wanted to understand on the match making services also sir, as you said that you are trying to increase your scale in the northern market. So is it fair to assume that your ATV will be affected in the near term? And if that is so, what would be that number sir? 5-10% from this level is it fair to assume?

Management: No, as I said majority of the revenue for us is from south and the eastern market put together. North and west constitute only a certain percent of revenue. Even if you have to counter to competition in terms of discounts and other things, again which we have not concluded yet, that can have some impact possibly on the ATV in the north and the western market. Whether how much of that will have impact on the overall ATV - probably may not be much or may have slight impact. So what we are looking at - more than these things, we have to increase the marketing spends so that we can retain the market share and also grow market share in the long term. So, again as I said it is only last few quarters of the increased heightened competition what we are seeing in the north and western market. We have to wait and see whether that intensity is going to continue. Then we need to respond to it. So if the intensity comes down there may be a reduction in the marketing spends. That can increase our EBITDA margin. So it all depends on how the competition is going to conduct in the quarters to come. As I said we are spending a high discount amount compared to the revenue. So it is important as a leader with 60% market share, to definitely fight to improve our market share which we need to do as the right thing for business in the long run. As I said in the matchmaking business we are still in the early stage considering to the opportunity in front of us. Considering being a dominant player at an overall level investing big in marketing is a good thing for the long run of the business. We will get the benefits of the increasing market share in the longer run.

Prajwal Gote: Okay thank you sir that is all from my side..

Moderator: Thank you. We have a question from Mr. Gautam Dhon from Investor Financials. Please go ahead sir.

Gautam Dhon: Thank you for taking my question. I just wanted to understand that you have close to 4300 employees. So what is the breakup of employees by function and where are the bulk of these employees actually utilized?

Management: Majority of the people are for matchmaking; around 3800-3900 people are part of matchmaking and most of the people are in the call centre. We probably have close to 1800 or 1900 people for the call centers. So that is where the bulk of our associates are deployed.

Gautam Dhon: So going forward as the business grows would – are the rest in technology?

Management: No we have retail outlets across – 140 outlets. Then we have collections. We have around 200 plus people for collections. Then we have customer support. Then we have relationship managers for

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assisted matchmaking, elite matchmaking. There are a few hundred people who are part of the technology team.

Gautam Dhon: Okay few hundred. So as the business grows the actual growth would be more at the call centre in terms of head count.

Management: More or less if you look at the matchmaking business there is not substantial increase or limited increase happened in terms of head count in the last so many years because we are continuously looking at how to use tools and technologies to maximize the conversions. So we are continuously looking at rather than increasing manpower, we are looking at using technologies to increase the conversion. So whether invest big in the campaign management tools or whether invest big in analytical or whether in AI. We continue to invest big in these technologies and tools to maximize the conversion rather than increase the manpower. One area where the manpower can go up is - if there is an increase in assisted and elite matchmaking business, then there will be a corresponding increase in the number of relationship managers to take care of the increased number of people subscribing for these services. So other than that there won't be much increase in the people count.

Gautam Dhon: Okay. And one more question was in your presentation you talked about network effect and that you have network effect in the southern state. So now in the call you said the country follows more along vernacular lines. So instead of looking at a western market or a northern market, would looking at each state give you better leverage and reaching that inflection point where the business is most of the market share is with you?

Management: Yes, you are absolutely right. Looking at particular states say Tamil Matrimony or Telugu Matrimony, many of the large number of profiles were part of the particular site. Probably that is a network effect so we are able to convert better. We are able to monetize better. So we are by and large insulated from competitors in those segments. So the way Bharat Matrimony has been structured is they have landed the speaker be it Marathi Matrimony, be it Punjabi Matrimony. So most of the market we have a good leadership except in the market which I talked about north and west where in the long run we need to fight to get the market share. Once we reach certain market share inflection point, as I said, we get the benefit of increased conversion and increased ATV. Even if we look at it otherwise, if we had to exclude north and west, our EBITDA margin in matchmaking will be much higher than the consolidated level of 33%.

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Gautam Dhon: Okay, okay. So some of these markets would actually be pulling it down.

Management: Absolutely. If you look at the market EBITDA margins, normally if we take only those markets where we are doing very well, EBITDA margins will be substantially very high. It is about taking the scale and size, and then the benefits of those being a leader to a certain level. Those benefits will move into the bottom line. Again it helps in many ways, be it the brand becomes so strong, the network effect, the conversion, ATV, you get all those benefits. But also the margins on those things are substantially very high. As I said if we exclude some of the markets, the EBITDA margin for matchmaking will be much, much more than even 33%. If you look at our spending, good amount of money on marketing actually.

Gautam Dhon: Okay thank you.

Moderator: Thank you. We have a question from Mr. Sahil Shah from Ocean Dial. Please go ahead.

Sahil Shah: Hi. I just wanted to know what are you looking in terms of revenue for FY19 now. From first quarter any sort of growth expectation that you have for FY19 and on margins?

Management: We are looking at double digit growth for the entire year. And in terms of EBITDA margin it all depends on - again if we were to increase our marketing spend that can have an impact on the EBITDA margin. So looks like the competition remains, the marketing spends continue, we have no other option. It is important to increase the marketing spends. If we have to increase the marketing spends in the quarters to come that will have a few percent impact on the EBITDA margin. So it all depends on how the quarter is going to span out. So (52:05) and all is big at this point of time.

Sahil Shah: But in terms of marketing you did around 18% of your sales in first quarter right?

Management: In marketing we are talking about not what it has been this quarter. Looking at the particular markets like north , we are not spending in proportion to what competition is spending. In fact we are spending much less compared to the competitors' marketing spends. So if we have to increase our marketing spends, which we need to in case the intensity continues, then that will indicate increase in marketing cost . If marketing cost moves up definitely there will be an impact on the EBITDA margin and the match making. That will have a cascading effect on the enterprise EBITDA margin. 23% is what we had in Q3, we can probably go down by few percentage points also. So again it depends on how much marketing spend we want to increase. Again that depends on how the competitors are going to continue their marketing spends. So what is important is to increase the marketing spends in the north and west to defend or to grow market share in the long run.

Moderator: Thank you sir. Since there are no further questions. I had over the floor to Mr. Murugavel Janakiraman for closing comments. Over to you sir.

Murugavel Janakiraman: Thank you everyone for being on the call and thanks so much. Have a nice evening.

Moderator: Ladies and gentlemen this concludes your conference for today. Thank you for your participation and for using iJunxion conference service. You may please disconnect your lines now and have a great evening.

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Matrimony.Com Limited
Chennai
600 028

For further information, please contact:

Vijayanand S

Company Secretary Matrimony.com Ltd.

No: 94, TVH Beliciaa Towers, Tower 2, 10th Floor,

MRC Nagar, Mandaveli, Chennai- 600028, Tamil Nadu, India.

Phone: 044-24631500

Email: investors@.matrimony.com

CIN:U63090TN2001PLC047432

For Matrimony.Com Limited

Company Secretary