

May 21, 2021

Corporate Relationship Department
BSE Ltd.,
Phiroze Jeejeebhoy 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 12th May 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 Limited
Q4 FY2021 Earnings Conference Call”

May 12, 2021

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ANALYST: MR. PRATEEK KUMAR - ANTIQUE STOCK BROKING LIMITED

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

Moderator: Ladies and gentlemen, good day, and welcome to the Matrimony.com Q4 FY2021 Results Conference Call hosted by Antique Stock Broking Limited. 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 call, please signal an operator by pressing “*” then “0” on your touchtone phone. Please note that this conference is being recorded. I now like to hand the conference over to Mr. Prateek Kumar from Antique Stock Broking Limited. Thank you and over to you Sir!

Prateek Kumar: Thank you. Good afternoon everyone. Hope everyone is staying safe and healthy. On behalf of Antique Stock Broking, we welcome today the management of Matrimony, Mr. Murugavel Janakiraman, Chairman & Managing Director and Mr. Sushanth Pai, Chief Financial Officer. Without wasting much time, I hand over the call to Mr. Murugavel for his opening remarks and then we will move to Q&A.

Murugavel J: Thank you, Prateek Kumar. Good evening everyone. I hope all of you are staying safe and healthy. when we started last year, we were going through an unprecedented crisis. Even now as we speak the crisis is far from over, many of our employees and families have been affected and we continue to support them in the best way possible. While our business was impacted in Q1 of last year; however, leadership team and all our people executed very well. We continued to emerge and provide value to our members through continuous product innovation and execution. We are also able to minimize our impact and return to a double-digit billing growth from Q2 onwards. I am happy to inform you that we sustained this momentum for the last three quarters in a row.

Our revenue growth combined with operational efficiency helped to improve profitability by 38% in FY2021. Despite the challenging environment what we face today we expect profit to grow at a faster pace like in FY2021 for the year FY2022 as well. We continue to use the learnings what we had in the current pandemic environment and hope we would be able to sustain the growth momentum.

Now let me come to the results. In Q4 on a consolidated basis we have achieved Rs.106.7 Crores in billing, which is a 10.8% year-on-year growth. For the full year we achieved Rs.385 Crores, which is a growth of 4.4%.

Key highlights for the matchmaking business are as follows. In Q4, billing was at Rs.106 Crores, a growth of 6.3% quarter-over-quarter and 12% year-on-year. Revenue was at Rs.101.1 Crores, a growth of 4.6% quarter-over-quarter and 8.3% year-on-year. This is the first time we crossed Rs.100 Crores both in billing as well as revenues in the matchmaking business. For the full year total billings we achieved Rs.383.2 Crores, a growth of 7.4%, revenue at Rs.375.7 Crores a growth of 4.2%. When we understand the quarter one last year the revenue was impacted, we saw bounce back in next quarters and moved towards a good double-digit growth.

We added 2.3 lakhs paid subscription during the quarter, which is a growth of 23.9% year-on-year and 8.4 lakhs paid subscriptions were added during the year, which is a growth of 18.9%. We continue to see good growth in volume and billing growth in the key competitive market both in north and western regions. ATV for the matchmaking business increased 6.4% quarter-over-quarter, but declined by 9.6% year-on-year. For the full year, ATV declined 9.5%, which is part of the strategy to drive more paid transactions. We continued to track the impact created for the customers. We are happy to state that we have created about 33000 success stories in Q4 taking in total to about 100000 success stories in FY2021.

Other highlights for the quarter are as follows. We launched BhojpuriMatrimony.com an exclusive matrimony site for the Bhojpuri community. We launched IIMIITMatrimony.com, a niche matrimony service for the graduates from premier institutes. We have also taken a new brand identity WeddingBazaar.com, one of India's largest wedding services marketplace from the earlier avatar of MatrimonyBazaar.com. Matrimony has a strong association in the matchmaking business, so we thought wedding-bazaar augurs well for this category.

Now coming to marriage services business, revenue was Rs.0.5 Crores, it is flat revenue maybe as compared to the previous quarter. Loss in the quarter was at Rs.1.9 Crores similar to the previous quarter and due to operation efficiency, we have brought down the losses in FY2021 to 9.6 Crores as compared to Rs.17 Crores loss in FY2020.

On the billing and revenue outlook for Q1, we have the uncertainty continue to exist and we need to see how it is going to pan out. We expect the billing and revenue to show a good double-digit growth on a year-on-year basis; however, on a quarter-over-quarter basis, we will expect to show a slight decline due to the current situation.

Wedding service will be at similar levels of Q4. The Board of Directors at its meeting held on May 11, 2021, had recommended a final dividend of 70%, which is Rs.3.5 per equity share of par value of Rs.5 each subject to the approval of the shareholders.

Before I conclude, I like to thank all our customers, employees, investors, partners for the continuous support. Our resilient business model will continue to drive growth that is purpose led. Let me now pass on to Sushanth to comment on the key profitability highlights. Sushanth, over to you!

Sushanth Pai:

Thanks, Muruga. Our EBITDA margin for the matchmaking business in Q4 is at 23.4% as compared to 23.6% in Q3 and 21.9% a year ago. For the full year, EBITDA margins for the matchmaking business was at 23.9% as compared to 23.4% in FY2020. Marketing expenses are at 38.8 Crores as compared to 37.6 Crores in Q3. Marketing expenses for the full year was at 137 Crores as compared to 102 Crores in FY2020, so if you exclude marketing expenses our margins in matchmaking are at 60% in FY2021 as compared to 52% in FY2020 due to increased revenue and operational efficiency.

On a consolidated basis, our EBITDA margins in Q4 are at 17.7% compared to 19.1% in Q3 and 14.4% a year ago. For the full year our EBITDA is at 71 Crores, which is a 18.6% on revenue as compared to Rs.56 Crores, which was at 15% on revenue in FY2020 indicating a growth of 26%.

Tax rate is at 25.2% for the quarter and 23.8% for the full year. PAT excluding Astro business stood at 10.1 Crores for the quarter, a decrease of 8.8% quarter-on-quarter and increase of 47.9% year-on-year. Share of profits from Astro is 0.4 lakhs for the quarter. PAT for the full year excluding Astro is at 41.3 Crores, which is the 10.9% on total income as compared to Rs.29.6 Crores, which is the 7.9% on total income in FY2020, which is a good growth of 40%.

Our free cash generation for the year has been very robust at Rs.60 Crores and our cash balance is at Rs.285 Crores currently. On the outlook for Q1 margins based on what Muruga had mentioned on the billing and revenue outlook, we expect EBITDA margins and PAT to increase in Q1.

I would like to end with the customary safe harbor statement. Certain statement during this call to be forward-looking statements on our business, these involve number of risks and uncertainties that could cause 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 Prateek for Q&A!

Prateek Kumar: Yes, we can move to Q&A.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Vivekanand Subbaraman from Ambit Capital. Please go ahead.

V. Subbaraman: Thank you very much for the opportunity. I have two questions, one is on the billing growth and translation into revenue growth, so we have seen that in the last three quarters billing has consistently grown at double-digit percentage year-on-year, but this quarter we saw the revenue growth being slightly less around 8%, if you could help us understand the factors responsible for the divergence between billing growth and revenue growth maybe long duration packages or maybe some other factors? That would be great. second question is on the EBITDA in the matchmaking business excluding marketing, so that number has increased meaningfully year-on-year, but we have seen that top out at around 62%, I mean it was steadily growing till last quarter, but we saw that it did not increase in the current quarter, it seems that some of your cost like employee cost has started moving up again employee cost and other expenses, if you could help understand that bit more in detail? That would be great. Thank you.

Murugavel J: Thank you, Vivekanand. On the billing to GAAP revenue, if we look at the billing was 106 Crores and in terms of GAAP revenue it was 100 Crores. One of the reasons, was there any change in the duration or packages by and large not much, it is in the same pattern. It must be because the revenue started picking up on Q4 in February and also in the March actually, so January also was good and the February was another best month for us, so that however, did not translate into a GAAP revenue in the same quarter. It has to be with good billing in the month of

February and March while January was reasonably good, January had a lot of holidays and other things, normally for us the revenue picks up in the month of February, so that was the reason on the difference between the GAAP revenue and the billing, the GAAP revenue almost down by 5.5 Crores, so it has nothing with any change in the underlying mix of packages and other things. In terms of the second question that EBITDA at 60%, If we had a GAAP revenue of Rs. 105 Crore, the EBITDA gross margins are being much better, so we do expect definitely the gross margin continue to improve from 60% further because the revenue progresses while the employee cost going to come from Q1 FY2022 onwards, but the other costs are going to be fairly going to be on the flat level, so we do not see the reason for EBITDA margin to stay at 60, in fact the business had the operating leverage as the revenue goes we definitely see that the EBITDA margin excluding marketing the gross margin is going above 60%.

Sushanth Pai: Vivek, just like to add, this is Sushanth, is that on the billing to revenue one more factor is like Muruga said, which month of the quarter you get a higher billing, so therefore then it translates accordingly into the subsequent quarters so there is always a timing gap so if the first month of the quarter has a higher billing then it translates into higher gap within the quarter because majority of our billing is in the three months category, but it comes into the middle of the second month of the quarter, it translates into the next quarter, so there is a timing difference always depending on which month you get a higher billing, but if you also see the good thing is the deferred revenue has also moved up from about 69 Crores, it has become about 75 Crores slightly higher than what we usually get, so in a way which means that will come into the subsequent quarters, so that is one point. The second thing on the EBITDA, in this quarter it is slightly reduced because also in March because of the situation maybe we felt slightly short in terms of our own billing in terms of the situation. The second reason is that some expenses like the CSR came in one quarter itself that is one and the second reason is that we also established certain small offices in India and that added to our infrastructure cost as well, so therefore there is a slight decline from Q3 to Q4 from about 63 to 62, but I think it will be in a range bound thing as we go along.

Murugavel J: Thanks, Sushanth. I appreciate, yes, even the Q4 it was 62, it will only move up.

V. Subbaraman: That is great. One small followup, would it be possible to quantify the CSR expenses, which was bit lumpy during the current quarter?

Sushanth Pai: Yes, it is about 0.5 Crores, 50 lakhs.

V. Subbaraman: Thank you. I have more, but I will follow up in line

Moderator: Thank you. The next question is from the line of Chirag Patel from Adinath Shares. Please go ahead.

Chirag Patel: Sir, I have few broad questions like in earlier calls you mentioned that we are planning to increase our market share wherever competitor is having good presence, so what are the key developments in terms of gaining lot of traction in those areas where we currently have very

limited presence in south market, if you can share some light in last two, three years, I know like last one year was very weak and it is still in a short of improvement witnessing in terms of traction, which you can share on that?

Murugavel J: In the northern market, I am sorry, I could not get?

Chirag Patel: Our market share in areas where our competitor is having strong foot?

Murugavel J: I understand, see other than the northern market, we are leader across India. We have a very strong leadership in south and also, we have good leadership in east, also we have a strong leadership in west except North India where we are one of the leaders so that is the market where it is a long-term strategy, and we continue to take steps to improve our markets in the northern market. We recently launched few offerings, we launched apart from we continue to look at ways to increase the conversion in the market, we are looking on pricing strategy plus other things as well and some of what steps what we have taken is that we also launched three new offering, we launched Rajasthanmatrimony.com, we launched Biharimatrimony.com. In the current quarter, we launched Bhojpurimatrimony.com, so we are looking at in market specific approach is one of the strategies, so basically, we are looking at the combination of product, pricing, and some offerings. So, we continue to make a progress, but north is highly competitive market, it is not something like we will have to make strong inroads in a very short span of time, it is a long-term strategy, but the good thing is that north is the only market where we are not strong yet, but all the other markets we are very strong, and they continue to remain strong.

Chirag Patel: Sir, my second question is on other than matchmaking segment, which we have it is a very minimal contribution to our total turnover, but what are the plans going forward for that segment of marriage services?

Murugavel J: So, we have today two offerings, one is Mandap.com and the other one is Weddingbazaar.com, in the recent quarter we changed the name from Matrimonybazaar.com to Weddingbazaar.com per se, so both are marketplace model. Compared to the earlier this is what we had a full-service model. We believe that the marketplace models the long run can be highly lucrative. It is a subscription-based business model. So subscription business model we need to look at listing, we also need to look at the traffic and also we need to deliver value to our partners, so we continue to progress on these areas and both the business has good number of listing, we continue to make a product improvement, we continue to see the people subscription and compared to the way we were selling earlier, we moved to a standardized offering, so that you know it is all one year packages, three months, six months packages, so as per the market place model, the listing improves, the value improves, we see that the renewal get better with more number of client. We believe we are in the right direction and if not for COVID probably we would have done better and through that we see our wedding services is probably gaining some traction and we also look what are the other things we can do to make more offerings in this space.

Chirag Patel: Like any internal turnover target you set for this segment?

Murugavel J: No, we did not. The opportunity is there, we have to see whether when we can reach the 100 Crores business on wedding services, can be it in three years, can be it in five years, so we definitely have an internal goal to make it as a meaningful revenue contribution for our overall services.

Chirag Patel: Sir, my third and final question, due to pandemic and lockdown and the distance protocols, the psychological shift is in across all the category of services from consumer side, so in marriage earlier also a lot of digital wedding is happening in many states and many area and locality, so will this psychological shift because ultimately in this COVID world so many changes we are going to see in the service, do you think that the marriage service segment will be effected negatively because of the psychological shift, which has happened due to the pandemic?

Murugavel J: Yes, definitely, today when the government announced that only so many people can attend the weddings and complete lockdown, obviously the entire spending on this category comes down; however, we think that it is going to be a temporary fall in a couple of months because India is already vaccinated for 15% of population and our estimate is probably by next four months also, by October 30% to 40% of population possibly can get vaccinated and after that probably that gradually things come back to the workable levels, so while when short-term run in the next three or four months there can be some impact and probably if it is lockdown, we will continue beyond May, which we doubt so probably restricted numbers we can attend the wedding, but I think gradually things will get better, so if at all we expect in the current situation something in the next four months or so that is all, we may be wrong also. We are waiting, but unlike in the past we did not know when the vaccination is going to come, how long it is going to last. I think now we have vaccination and is the question of also we can get good number of Indian population getting vaccinated, 60% is what it can reach immunity, but I do not know when it will, probably end of the year, but matchmaking the impacted largely because of lockdown because retail outlets were shutdown, some of the employees are impacted, some of the customers are impacted, but still we are doing fairly well.

Chirag Patel: Thank you and best of luck.

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

Hardik Sangani: Thank you. Sushanth and Muruga, hope you are keeping safe and doing well. So, just regarding those two questions; first one is in last year Q1 anyway that was a weak quarter due to the onset of COVID-19 pandemic, but on QoQ basis should not we have a net single digit or something like that, so this year at least it can be better than what had done or is it due to this again second wave have we tempered down on the conservative side we are guiding towards the billing growth? Secondly in terms of marketing spends so do we see this year also should we continue with the exit rate of Q4 what we had in this year or it will increase or decline meaningfully because there is no particular reasons and relative to advertising spend, have we been doing in change in our ad spends for example, following the discount to clients more or it is more digital

marketing or general marketing expenses, which you would have been doing earlier? I have more questions I will come back in the queue?

Murugavel J:

Thanks, Hardik and we are doing fine and hope you and your family is doing well. In terms of growth for Q1 FY2022 the guideline was the quarter-over-quarter, percentage less in billing compared to Q4, so then we look at year-on-year obviously it has been probably in 20% or so because probably Q1 we are impacted, so that we think the growth is not in 10% to 12% will be definitely much ahead growth because of the impact we had in Q1 FY2021, so that is on the growth side on the matchmaking. In the marketing, we believe that probably we are in the similar level as possibly in Q4 and in terms of spend, most of the spend is on the TV again not the discounting being accounted in marketing, for the marketing is the actual marketing spend, we include both TV and digital, so most of the spend is on TV and by and large it will remain in the similar level, so there is no change in the mix, if at all there is a minor change in the mix of advertisement so in a similar level or may be slightly less depends on how the situation evolves now.

Sushanth Pai:

Just like to add, Hardik is that last year the situation was I think slightly different from what we are seeing now. I think the whole concept of the virus, the lockdown everything was new. I think people were grappling with various things because the whole situation was new and because of that the businesses took some time to build BCP and all of those things and last year the people were not so impacted because the cases were just coming in and people were learning about the virus, so now it is a very different situation, I think the people are the ones who are impacted and with the businesses coming to track and dealing with the situation, but over the year we have the learning's right, We have established new monitored mechanism to deal with all of this so that is some of the learning's are helping us in this second wave, but the second wave is slightly different. So I think we have learnt to live with the lockdowns a bit in terms of the BCP measures and all of that, but here I think more people are getting impacted so that is the difference so because not only customers I think even our own people so that is creating a little bit of a different situation, but the business model is resilient and therefore taking care of some of the learning's that we have had in terms of how to minimize the impact. So I think that is the way to see it and that is why we are factoring a slight decline from the Q4 levels as we go into Q1.

Murugavel J:

Thanks Sushanth, I appreciate that. Sushanth said you know when our employees are getting impacted, so obviously we lose our productivity and it takes time and it is not one or two days, you know 2 weeks of productivity gets impacted, sometime little longer also, it is not one or two people, more than hundreds of employees are infected with COVID so these are the issues and the lock down and retail outlets are closed , so it is more with the challenging what it is what is causing that a bit of slow down otherwise would have been better actually.

Hardik Sangani:

That is helpful. I will come back in the followup. Thank you.

Moderator:

Thank you. The next question is from the line of Hitesh Sharma from White Sky Inc. Please go ahead.

- Hitesh Sharma:** I just wanted to know what is your market share compared to Shaadi.com?
- Murugavel J:** Our estimate is not while our level 60% and we think that the Shaadi at around 30% level with our estimate, we do not have the actual the revenue data and all those things, so that is our estimation.
- Hitesh Sharma:** Any other activity you are planning to start because we have e-matchmaking, anywhere else from matchmaking we are looking to start?
- Murugavel J:** We continue to explore opportunities in the matchmaking space, we are reaching on top of the recent onset, the IIMIITMatrimony, we also launched DoctorsMatrimony prime launch , launched all these successfully. We continue to explore the opportunity in the matchmaking space both in India and even outside India, which is where we can see level to make a difference yes, we continue to explore this opportunity.
- Hitesh Sharma:** So, we are sticking to the matchmaking only?
- Murugavel J:** Yes, we are definitely keeping the matchmaking business and wedding services.
- Hitesh Sharma:** My second question was like because we are having already strong platforms, so we can use the platforms to many other services?
- Murugavel J:** If I understood your question, yes, we have done it in the past, we had all various vertical in jobs, property, automobile various vertical obviously we did not even have the capital and other things, leadership bandwidth together but we see enough and more opportunity in the matchmaking business itself, so if we are getting into other verticals - No, there we have other established players and I think what we focus on our strength, focus on where we can make a difference so we are going to commit to the matchmaking and wedding services and not using the platform for other verticals.
- Hitesh Sharma:** Thank you very much.
- Moderator:** Thank you. The next question is from the line of Mayur Gathani from OHM Portfolio. Please go ahead.
- Mayur Gathani:** Thank you for the opportunity. I just wanted to check on the services business, what are we doing there and why are we losing money, I thought this is an asset light model and can you explain little more on the subscription side as well, please?
- Murugavel J:** See, definitely in terms of the model it is an asset light model, however we are talking mainly on the people cost, we are talking about the product team, technology team and operation team and also the sales team in place, so mainly on the people side actually, so most of our cost almost if you see that all more like 70% to 80% on the people cost, so when the revenue picks up because the subscription business model initial days obviously we are offering at a less price in order to get vendors to come on their platform, deliver values so that actual profit could able to increase

that subscription amount so that is helping, the cost is mainly on the people side as and when the revenue progresses then the people cost in percentage will come down. Once we reach a certain critical threshold then obviously, we will start making profit. So, we are investing at this point of time, expenses on the product and technology plus leadership team so obviously it has been a people cost and the revenue is not upto our expected level last year due to severe impact of the COVID and I hope that this year will gain traction.

Mayur Gathani: Assuming on the subscription side what are we doing I, mean vendors like say some hotels who have banquet halls or people who want banquet hall they are subscribing to you, saying that okay whenever there is a marriage?

Murugavel J: Thanks, Mayur. I understood the question. Typically, the subscriber service the vendors who are mainly in the wedding services, we are talking about decorators, banquet halls, , photographers and all the wedding services business. For the end consumers we do not charge any money and we help them to right kind of service, so we do not have model of charging money for the end consumers, but as we progress, we can look at those model also, but at this point at time who is paying for our wedding services are the people of the wedding service business.

Mayur Gathani: Thank you, Sir.

Moderator: Thank you. The next question is from the line of Rajesh Khotari from AlfAccurate Advisors Limited. Please go ahead.

Rajesh Khotari: Thanks for providing the opportunity. Sir, my question is on your main business how do you see the margins over the next two, three years?

Murugavel J: See, if we continue to see this kind of growth, double digit growth, which we are hopeful that we will able to continue this kind of growth and if the marketing remains at this similar level or even at slightly going up I think the margin continue to improve so that is what I can say.

Rajesh Khotari: When you say that marketing spend if I am just putting at your presentation I think slide #21, you have given the marketing spend it has increased from 56 Crores to 137 Crores where is a worry if we look at revenue 335 Crores to 377 Crores increase from the second business, but even if one cannot do pre-marketing expense because marketing expense is a priority for subsequent business, correct?

Murugavel J: Exactly, yes.

Rajesh Khotari: So, I am seeing that how one should look at it because your revenue growth is not in line with the marketing spends, I do not have right now FY2018 in your matchmaking performance revenue, but I do not think I would have grown 2.5 times?

Murugavel J: See, the marketing spend definitely have grown substantially in the last couple of years because due to I think again to competitive activity, if it is not for the competitive activity, the market spend will be at the current level so even if competitive intensity remains at the current level,

still we are able to do the double digit growth and the profit margin or the EBITDA margin will improve; however, the competitive intensity reduces, then marketing itself will reduce, and EBITDA margin will grow at a much faster rate, but definitely if we look at three years ago the market spent for the entire year was 50 Crores and the 50 Crores gone up to now today at 133 Crores because of the increased competitive activity because three years ago the strategy all three players put together marketing spend was 100 Crores and now today all three players put together marketing spend has gone up to 400 Crores, there is increased competitive activity, so we had stepped our marketing to protect our markets and also to grow on business..

Rajesh Khotari: So, where is it three years ago though the total industry spends was 100 Crores that is you are talking about FY2018?

Murugavel J: FY2018, yes.

Rajesh Khotari: And what would be the industry revenue at that time?

Murugavel J: Industry revenue would have been 400 Crores or so, I do not know, may be 500 Crores.

Rajesh Khotari: 500 Crores and right now what would be the industry revenue in your opinion?

Murugavel J: It will probably be around 700 Crores. I am talking about top three players, so 700 Crores or 750 Crores.

Rajesh Khotari: So, the growth is like 50% kind of growth?

Murugavel J: Yes.

Rajesh Khotari: Our growth would have been how much?

Murugavel J: We started growing double digit growth in the last three quarters, I mean I do not know whether it is exactly three years.

Rajesh Khotari: Basically my question is this competition intensity will keep remaining high, am I right unless and until one peer goes out from the market correct, so how do you see that in the competition intensity increases further then what you do?

Murugavel J: That is the limit at which that we can keep spending on it because beyond a threshold there is no point of continuing to put the money. I think at the current level of marketing spend I believe that it is good enough to manage even increased competition intensity, we are already spending much more than what it required, we may change or reduce as you know depending on the situation that is my outlook at this point of time. I think with sufficient marketing spend we can continue to make progress, continue to grow and I am not in the position to comment on what is the competitor strategy, what are they going to do. As of now we continue to make progress and continue to drive the growth, so there is some point the things may change and in terms of the competition intensity may come down, but even otherwise also, so our plan is able to grow in

double digit growth and able to up the EBITDA margin, it is okay if the competitors being there and they are continuing to grow to the overall category or so, so what we are focusing on what we can do in our control, continuous product innovation and execution, drive double digit growth, drive the EBITDA margin and it all pays off in the long term.

Rajesh Khotari: Sure, my last question is in terms of the organization structure perspective, have you recruited any senior people, strategic people in the management team, any changes in the team?

Murugavel J: No, nothing. I mean there will always be some additions, but we have strong leadership team.

Rajesh Khotari: Okay, no major changes?

Murugavel J: No major changes.

Rajesh Khotari: Fine. Thanks, and wish you all the best.

Sushanth Pai: Just wanted to tell you the recent changes are being that we have included CMO, Arjun Bhatia the recent addition to the leadership team.

Murugavel J: Last year we added, yes, Arjun Bhatia as CMO.

Rajesh Khotari: And what is his profile?

Murugavel J: He was a Marketing Head for Samsung and he joined us here.

Rajesh Khotari: Fine and thank you, Sir.

Moderator: Thank you. The next question is from the line of Manish Poddar from Nippon India AIF. Please go ahead.

Manish Poddar: Sir, just wanted to check if you can slice or dice this marketing spend of 137 Crores, how much would be the pure play marketing and how much would be for transaction or anything like that?

Murugavel J: Well, most of the spend is on the TV advertisements, so probably around 70% or something like that goes on the TV advertisement, balance goes on digital and some others.

Manish Poddar: So, none of this amount is let us say, done for any conversion per se it is just for awareness purpose?

Murugavel J: Yes, it is awareness because there is market obviously, there are competitors advertising, we have to counter that so mostly on the TV so 70% or 70% plus on TV, so on the digital we look at conversion, there also because of the competitive activity we had to spend more because people are bidding keywords that pushes the price, otherwise even there also spending would have been less.

- Manish Poddar:** Just one last one let us say I have not said the numbers for the three, four years, but let us say you have been giving certain discounts or let us say there is a difference between the gross and the net in terms of revenue so which will be used for conversion let us say for discounts for consumers how is that number trended over the last three, four years?
- Murugavel J:** If you see, this year the ARPU has come down because we have the pricing strategy, we do not have the standard price, according to the customers different pricing given to the customers, so till last year the ARPU has gone up, this year the ARPU has come down on an account of differentiated price for various customers.
- Manish Poddar:** So, let me put in the other way around have you taken any price increase in the last two years?
- Murugavel J:** No.
- Manish Poddar:** Prices has remained static or whatever ARPU decrease you would have seen is only a function of higher discounting?
- Murugavel J:** Yes, discounts again, it varies from market to market, you are right.
- Manish Poddar:** Got it. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Devang Bhatt from ICICI Direct. Please go ahead.
- Devang Bhatt:** Sir, thank you for taking my question. I just wanted to know that our strategy was to grow the paid subscribers and pricing would be more or less stable, this quarter on Q-on-Q basis our paid subscribers are flat and pricing has increased so has there been some change? My second question is that given the lockdown, and everything is announced despite doing a double-digit billing growth we are not able to grow our revenues in double-digit, so will we be able to grow a double-digit revenue growth in FY2022?
- Murugavel J:** Yes, there are two questions, one is in terms ATV, see ATV is a function of many things because it includes, personalized services like assisted and elite matrimony we saw those business sort of bounced back increasing our ARPU. Second thing that while we look at the offering the right price we continue to look at the ARPU where we can get the better ARPU and all, so discounting is yes, wherever possible discounting, I see wherever possible I try to get better ARPU also so for us discount is not the only strategy. If you look at the matchmaking side this year we definitely look at the double-digit growth. Last year it is because of the wedding services , the photography business was not there that is also pulling down our year-on-year growth, all the wedding services year-on-year drop was almost 80%, so that has keeping down our year-on-year growth so matchmaking went up, I think this year we will do a double growth in the revenue side as well.
- Devang Bhatt:** So, we are expecting matchmaking services to be flat, more or less, not matchmaking sorry, marriage services?

- Murugavel J:** Yes.
- Devang Bhatt:** This year matchmaking in double-digit means in high teens or mid teens I mean what should be expecting?
- Murugavel J:** We can only see the immediate future of wedding service is flat for this quarter, not saying that whole year it is going to be flat currently and the long-term we do not expect the situation to continue to remain as we did we expect in the four, five months things will improve better on in marriage services, so in terms matchmaking almost a double digit growth. I am not in a position to say at this point of time when we talk about Q1 which is the immediate vicinity because we know the demand, the country is going through unprecedented challenge where nobody would have expected that COVID the wave two will be so severe. In fact all were preparing for the better things and suddenly things are not the best so I think we want to be cautious at this point of time, let us see how the situation develops one quarter down the line.
- Devang Bhatt:** My question was on FY2022 in terms, I know first quarter might be weak, but when we catch up in second, would we be able to I mean even in the past two, three quarters we have done despite billing growing at double digit we have done single digit growth in matchmaking services?
- Murugavel J:** No, actually the thing is about the matchmaking business, while the billing has been growing double digit especially Q4 is where the 5 Crores is pushed to this quarter definitely in Q1 also we expect the billing growth will be possibly around 20% or so, so for the year definitely we expect both billing and revenue we see a double digit growth, what is our double digit growth, I am not in a position to comment at this point of time because situation also changing dynamically, so that is the reason not in position to comment on that so when we talk about Q1 what we can see, that Q1 will be the double-digit growth.
- Devang Bhatt:** Great. Thank you, Sir.
- Moderator:** Thank you. The next question is from the line of Ronak Vora from AUM Advisors. Please go ahead.
- Ronak Vora:** Sir, need some sense for earlier what was our customer acquisition cost five years back and currently?
- Murugavel J:** Most of our customer acquisition are direct where we do not spend much money so unlike other business they completely depend on digital marketing customer, the brand is so strong almost like major customers have come directly to the portals or office, even for digital most are spent behind our brand strategy, so it is not like other business where you have to depend on digital to acquire customer .
- Ronak Vora:** Thank you.
- Moderator:** Thank you. The next question is from the line of Vivekanand Subbaraman from Ambit Capital. Please go ahead.

- V. Subbaraman:** Thank you very much for the followup opportunity. Could you give us some colour on the active users on your platform? Has it grown at a similar pace as the transaction, and can you also help us understand if the growth has been uniform across regions in the country or has it been faster in any one or two markets?
- Murugavel J:** Vivek, as you know the profile growth has been good so we stopped publishing the actual data on profiles, because of the competitive reasons and all I can say that we had a good growth across India not limited to any particular region.
- V. Subbaraman:** Right, second question is on the revenue stream, so this offline versus online and you also have certain premium offerings, so could you discuss about growth across the revenue line items?
- Murugavel J:** I think you have not seen the breakup so again, we had last time we had an impact on the premium businesses during that lockdown or during the COVID situation, Elite matrimony. I think it started bouncing back which I feel we are getting back that is one of reason getting better in ATV in Q4. Despite the lock down, we continue to do well in the premium businesses.
- V. Subbaraman:** Sir, if I understand correctly in the premium segment your competition also offers such service, can you also help us understand the competitor landscape there?
- Murugavel J:** No, they are also in similar offerings. They are also a personalized service business, but when compared with Elite Matrimony even Shaadi they have the equivalent, but we pioneered this category almost two years ago. We definitely have a good brand in Elite Matrimony and good number of customers across India. Yes Jeevan Saathi also has a personalized service offering.
- V. Subbaraman:** Thank you.
- Moderator:** Thank you. The next question is from the line of Dipen Sheth from Crystal Investment. Please go ahead.
- Dipen Sheth:** Thanks for the opportunity, Sir. I have a question, which is more of strategic nature, so are you slicing the data of users to see whether there are more users who are looking for their own marriage versus other people's marriage and is there something to be read there, how do you see this?
- Murugavel J:** Yes, that is one of the data we see it.
- Dipen Sheth:** what are the trends and what you read of it?
- Murugavel J:** Majority users for the individuals only. That has seen a growing trend. Today only around 15% of portfolio are created by parents and unlike some people think that is largely used by parent, but definitely matchmaking, parents also would get involved because marriage happens with the involvement of the parents also, that is done so the people registering on to the platform 70% of the users are individual themselves, around 15% of the profiles are created by parents, balance

15% are by siblings are creating a profile so that is the way the mix has been, so it is largely driven by individuals seeking a right partner and that has been a growing trend.

Dipen Sheth: Your presentation has a data point from wave back in 2016, I know these are rough rather than auditable data, but it mentions that arranged marriages in India are at 80%, but in 2021, is it like has it gone into 30% or something?

Murugavel J: No.

Dipen Sheth: I am sure it has not, but just asking you?

Murugavel J: No, individuals are creating a profile that does not mean that people are looking without the parents involvement they are getting married, who is in the driver seat today, the singles are in the driver seat, they are finding a profile, they are contacting their prospects somewhere like that prospects then obviously parents do get involved and the Indian marriage definitely parents will get involved whether we can call it as arranged marriage or individual arranged marriage it depends on how people interpret, we call it collaborate marriages.

Dipen Sheth: Sorry to interrupt, I do not want to find a logical link between my two questions, all I am seeing is in India if 80% people who were going through arrange marriages in 2016, has this started trending up or down and down drastically that is what would worry me in terms of longer term prospects for your business?

Murugavel J: No. That is what I am telling see basically the arranged marriage the term, which is broadly grossly misunderstood. I just try to give a sense.

Dipen Sheth: So, even if I am finding up and looking for someone I would still call that an arranged marriage, I am okay with that?

Murugavel J: we call it as collaborative marriage, because everyone comes into that, parents, and does not matter, even the parents get a profile it is happening with the constant involvement of individual, it does not matter who have driver seat, the majority of the people are looking for life partners are individuals themselves and I got married through Bharat Matrimony.com, I created a profile, I contacted my wife, but I also got my parents involved in right stage, so I call it a collaborative marriage, I think the marriage in the form of India evolved from what it was 20 years ago, today we call it as collaborative matchmaking or participative matchmaking, so both these stakeholder is happening with the involvement and the participation of both the stakeholders, who has the initial driver seat today largely single, once they like the profile, parents get involved they follow the process, what are the process to be followed, visiting the other side and understanding the bride or groom, and marriage happen with the consent formed, concerned involvement all the stakeholders so it is also called as arranged marriage arranged by individual consent with the involvement of parents.

- Dipen Sheth:** Any plans of going beyond marriage in terms of verticals so not even dating, I know that sounds less serious in marriage, but maybe there is a different brand that you can make there, you are sitting on 280 Crores of cash any thoughts on that?
- Murugavel J:** No. I think the dating is a different category, we had dating offerings in the past. We studied that market, so unlike matrimony there is a very clear audience, clear intention and basically people culturally aligned so that way we do not expect the dating services is going to be a large offerings or large market, there are limited offerings for limited purpose so we do not think the dating is a large category in our view, so we do not intend to get into that category we continue to focus on matrimony or so.
- Moderator:** Thank you. The next question is from the line of Taha Siamwala from Piper Serica Advisors. Please go ahead.
- Taha Siamwala:** Thank you for the opportunity. What are the changes in ARPU for the quarter and the year?
- Murugavel J:** See, the ARPU change for the quarter was it is Rs.4667 with the decline of 9.6% year-on-year, but compared with the previous quarter is up by 6.4%, for the whole year the ARPU from Rs.5061 it is down to Rs.4578.
- Taha Siamwala:** Thanks. That was the only question.
- Moderator:** Thank you. The next question is from the line of Keshav Lahoti from Antique Stock Broking. Please go ahead.
- Keshav Lahoti:** Sir, I just I wanted to know one thing, how should the pricing play out in the FY2022, this year the pricing have taken a hit, do you think that will stabilize or go down if possible?
- Murugavel J:** Pricing probably in the similar lines or probably slight get better also so we continue to look at the ways to the drive conversion at the same time look at ways to increase our profiles, wherever possible without compromising our ability to convert those premium pricing.
- Keshav Lahoti:** I want to understand what sort of pricing might improve from here on because the way the competition is taking up no way it is getting down in fact it is getting more aggressive?
- Murugavel J:** Basically as I said we continue to execute well and continue to innovate, continue to offer various services to our customer, so it is difficult to comment on competitors, I think we are focusing on our growth, we are looking at our EBITDA margin, we believe that we are in the right track.
- Keshav Lahoti:** Thank you, Sir. That is it from my side.
- Moderator:** Thank you. The next question is from the line of Prateek Kumar from Antique Stock Broking. Please go ahead.

Prateek Kumar: Thank you. Just the related question on marketing, like getting into FY2022 and things are relatively tougher for every industry so how has the marketing spend panned out for us and how do you see it for industry overall even the industry is trying to save on marketing in FY2022 or what are other avenues where industries like we are sort of looking to stay for in FY2022?

Murugavel J: I think FY2021 was good in terms of EBITDA efficiency and I do not expect that the whole thing going to continue beyond this quarter. I think the things will come back to better levels beyond Q1 in terms of the country. and if it continues probably we will look at what can be done on the cost side, but in terms of marketing we believe that we will be operating at a similar level what it was in the last Q4 possible that is the outlook we have currently so I believe that is good enough, but again it depends.

Prateek Kumar: Just my final question from my side, there was recently covered media that PayTM and several organizations, similar start ups are coming together to form a local Playstore is there any update on that?

Murugavel J: It is not the local Playstore. There are things that has been lobbying because today Google controls the entire place towards making that because mobile data engine is online users. The thing is that the Google pricing policies are forcing that they have to use only the Google. So it is good to have some alternate kind of government's offering some kind of the download platform so that you are not restricted by that we are not restricted by that, the companies in India are not restricted by Google being the only platform to where customer can go and downloads, so there has been a bit of lobbying or something, we are communicating with government it is good to have other option otherwise Google having the absolute control on things, so in sometime we are sort of at their mercy if Google in terms of many things, so it is good to have some kind of offerings or government stepping in so that they are able to maintain that neutrality or ensure that the Google is not abusing its monopoly to the advantage or whatever other reasons.

Prateek Kumar: Thanks , that's is all from my side.

Moderator: Thank you. Ladies and gentlemen that was the last question. I would now like to hand the conference over to the management for closing comments.

Sushanth Pai: Thanks, Faizon. Thank you Prateek for hosting this call. Thank you all for joining this call, if you have any questions you can write to us. Meanwhile stay safe and healthy and take care. Thank you all.

Murugavel J Thank you all. Have a nice evening.

Moderator: Thank you. Ladies and gentlemen, on behalf of Antique Stock Broking Limited that concludes this conference. Thank you for joining with us. You may now disconnect your lines.

(This document has been edited for readability)

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