

August 20, 2020

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 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 07th August 2020 is attached herewith.

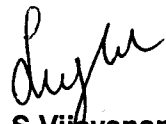
The aforesaid information is also being hosted on the website of the Company viz., www.matrimony.com.

Submitted for your information and records.

Thanking you

Yours faithfully,

For Matrimony.com Limited



S. Vijayanand

Company Secretary & Compliance Officer

ACS: 18951

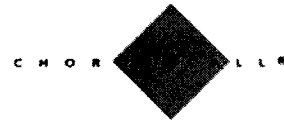
No.94, TVH Beliciaa Towers, Tower II, 10th Floor, MRC Nagar, Chennai - 600028

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“Matrimony.com
Q1 FY2021 Earnings Conference Call”

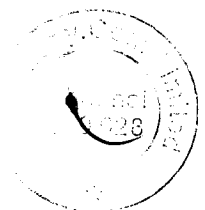
August 07, 2020

matrimony.com



ANALYST: MR. SANTOSH SINHA – AXIS CAPITAL

**MANAGEMENT: MR. MURUGAVEL JANAKIRAMAN - PROMOTER &
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 Q1 FY2021 results Conference Call, hosted by Axis Capital 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 telephone. Please note that this conference is being recorded. I now hand the conference over to Mr. Santosh Sinha. Thank you, and over to you Sir!

Santosh Sinha: Thank you Ayesha. Good afternoon everyone. On behalf of Axis Capital, I welcome all the participants to the conference call. Today, we have with us Mr. Murugavel Janakiraman, Promoter & Managing Director of the company, and Mr. Sushanth Pai, Chief Financial Officer of the company. We are going to start with the overview of the company's performance for Q1 FY2021 and then we can switch over to the Q&A session. Thank you and over to you Sir!

Murugavel J: Thank you Santosh. Good afternoon everyone. I hope all of you are staying safe and healthy. During the previous quarter updates, we had indicated that our matchmaking billing would be impacted by around 20% in Q1. However, we have reduced the impact of matchmaking billing to a lower decline of 14% quarter-on-quarter.

This was possible due to the June month coming back to normalcy and showing year-on-year growth. Despite this impact, we have shown a significant improvement in PAT with a 38% quarter-on-quarter growth. This was possible due to various cost intervention measures including people and infrastructure costs and at the same time ensured superior customer experience. We also generated positive operating cash flow during the quarter.

Let me come back to the results. On a consolidated basis, we have achieved Rs. 86.8 Crores of revenue in Q1 which is a decline of 7.8% quarter-on-quarter and 9.1% year-on-year.

Key highlights for the matchmaking business are as follows. In Q1, billing was at Rs.81 Crores, a decline of 14.3% quarter-on-quarter and 7.5% year-on-year. Revenue at Rs.86 Crores, a decline of 7.3% quarter-on-quarter and a 5.4% year-on-year.

Paid subscription of 167,803 are during the quarter, a decline of 8.5% on quarter-on-quarter and 5.1% year-on-year. ATV for the matchmaking business had declined 6.4% quarter-on-quarter and 2.5% year-on-year and this is in line with our initiative to offer differentiated price to various segments to conversions.

We continue to track the impact we create for our customers. We are happy to state we have created about 18,500 success stories during this quarter.

Now coming to the marriage services business, revenue of Rs. 0.7 Crores in Q1 as compared to 1.1 Crores in the previous quarter. As indicated earlier, the business situation has some challenges and it will take some time for the wedding services business to come back to earlier levels. We are also using this time to enhance our product servicing offerings. We also brought

down the losses to a Rs.3.3 Crores from Rs.3.5 Crores in the previous quarter. The loss will further reduce in Q2 and this is in line with what we have indicated earlier.

Let me talk about the revenue outlook for Q2. We expect the Q2 billing for matchmaking to pickup and show a double-digit growth both on a quarter-to-quarter basis as well as on a year-to-year basis. Due to billing drop in Q1, the revenue growth will only be a single digit growth in Q2. Marriage Service revenue will be at similar level of Q1.

Now let me now pass on to Sushanth Pai to comment on the key profitability highlight. over to you Sushant!

Sushanth Pai: Thanks, Muruga. Our EBITDA margin for the matchmaking business in Q1 is at 25.1% as compared to 21.9% in Q4. So, that is a big improvement from quarter-on-quarter basis. Marketing expenses are at Rs. 26.8 Crores as compared to Rs. 28.7 Crores in Q4. Like we indicated earlier, we have tweaked the marketing expenses a bit in this quarter considering the revenue and billing of the quarter.

As Muruga indicated earlier, despite the situation we have been able to demonstrate increase in margins due to various cost optimization in the areas of people as well as infrastructure costs. On a consolidated basis, our EBITDA margins in Q1 are at 18.6% as compared to 14.4% in Q4.

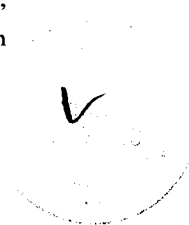
The tax rate is at 23.6% in Q1 as compared to 25.8% in quarter 4. Q1 PAT has shown significant improvement to 9.4 Crores which is a 38% quarter-on-quarter increase and a marginal increase year-on-year. On the outlook for Q2 margin given the expected revenue growth in Q2 and the cost interventions already in place, we expect the profit after tax to be in very similar range of Q1.

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

Moderator: Thank you very much. We will now begin with the question and answer session. We have the first question from the line of Archit Singhal from Safe Enterprises. Please go ahead.

Archit Singhal: Few questions from my side. Firstly, I wanted to hear your thoughts on the industry consolidation as well as the competition dynamics particularly in the loss in the north and the west region, now this question is also about infoedge commentary in their previous call where they have highlighted that they would continue to spend in Jeevan Saathi to gain further share, so wanted to know your thoughts on the same as well as on how you see Matrimony in terms of consolidation?

Murugavel J: Thank you Archit. In terms of the competition intensity, they continue to remain high, particularly in the north and western market. However, we have increased profile acquisition in



those markets. With respect to consolidation, if we are getting opportunities, we want to be a buyer so we continue to focus on our business, so that is our take on as you are looking at the business.

Archit Singhal: On the other things in the AGM there was a mention that there is a video calling facility now available on the Matrimony app, so just wanted to understand how that will work and can it drive the paid subscription for Matrimony?

Murugavel J: Yes, we have launched feature, the video calling feature considering that there is an increased adoption of video calling everywhere and also currently that obviously the prospects cannot go and meet the partners in person so we launched video calling features again this feature is available only for the paid users they would establish the video calling to the opposite member. I think it is an interesting feature again still in the early stages, we see that adoption has been fairly good, so yes this can mean one of the benefits and we have to wait and see whether how much of this feature is going to have that increase paid subscriptions but we will see that the feature has some traction.

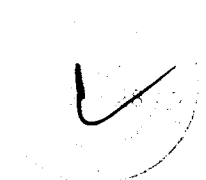
Archit Singhal: Is that feature also offered by the competition?

Murugavel J: Yes, the feature again is offered by competitors in a different form and now this feature has been implemented but the video calling feature is available across the players.

Archit Singhal: Sir, last question from my side, in the annual report there was a comment that Matrimony will evaluate entering in certain global markets, so if you could shed more light on this, what is the cost of this regarding?

Murugavel J: Basically, we have offerings, we have Sri Lankan Matrimony, we have a couple of matrimony sites in South Asian market like Bangladeshi Matrimony and Nepali Matrimony, these are the things evaluated but Sri Lanka been fairly okay and we also had a Muslimmatch.com at global matchmaking offerings for the global Muslim community again some of the initiatives. I mean our plan is not only that be a leader in Indian matchmaking but we are also looking at a progress opportunity in these markets, so again it depends on how the things evolve but we see traction in some of these markets, so we continue to monitor and achieve progress and look up at opportunity and grow these offerings.

Sushanth Pai: I just wanted to add or clarify what Muruga mentioned on the consolidation is that these keep happening and we do not know the source of all of this because we are not in talk with anyone else and rather not anybody else is also in talks with us. Our view is that we need to concentrate on organic business. We see tremendous potential in this market, we are doing all that it takes as a leadership team to make sure that we are in the right direction and our focus is on growth. I think what Muruga meant is as a promoter as well as company that is being over 20 years, we have no intentions of any sale of any kind, I think that is what he was trying to allude to and so that is the situation right now. In the future if something comes up, we will have to evaluate at



that point in time in terms of any consolidation, so that is the only point I just wanted to make it clear.

Archit Singhal: Thank you.

Moderator: Thank you. The next question is from Ambit Capital. Please go ahead.

Unknown Speaker: Thank you for the opportunity. I just had a couple of questions. The first question is in terms of cost control and how this, how sustainable are the non-AMC cost cuts and is the scope to further reduce them?

Murugavel J: Sorry, your question was not clear, can you just please repeat it?

Unknown Speaker: I just wanted to know in terms of cost controls how sustainable are the non-AMC cost cuts and is that scope to further reduce them? That is the first question. Then the second question is on NRI business compared to the domestic business, can you quantify the impact of the rupee depreciation on the same?

Sushanth Pai: Yes, did you mean the two things that I understand is you said non-AMC, is that what you are asking?

Unknown Speaker: Yes, like employee cost etc?

Sushanth Pai: If you see we have taken cost optimization measures on various fronts. So one is when we see employee it is to see how effectively we can organize ourselves in terms of for example, span of control, in terms of structure, in terms of productivity and all of this and like you know our business have some natural attrition, so there are some cause that we have taken that natural attrition we will not replace because we have an opportunity to increase productivity even with a current number of people, so that is one level of people optimization. The second is obviously because of the pandemic and everything; people are willing to get into a win-win situation. For example, on rentals, on infrastructure cost or even in terms of technology, for example, some of the costs we have been able to increase the tenure of the contracts things like that, so I think all put together, we have done some cost interventions. These benefits will continue during the year, for example, whatever we have reduced in this quarter that reduced cost will continue during the year as well. However, next year if things improve, may be some of the cost may come back but that is we have to evaluate at that point in time but the benefits of this quarter at a reduced cost will continue in the coming quarters as well. You had a question on NRI, because of the rupee depreciation and all of that, so it is not very significant in terms of the overall proportion for us and therefore the rupee depreciation has been at a particular level during these times, so it does not create a very significant impact because of the rupee fluctuations for us given the proportion of NRI sales.

Unknown Speaker: I just had one more question on our performance trends, so if we look at performance trends again compared to some of the competitors so if you could just shed some light like how we can look at this on anything going forward?



- Murugavel J:** Our business as online and our retail presence and we also have a retail presence and we also have personal matchmaking services. With respect to online, we are doing very well. Some aspect of business though impacted like retail and personal matchmaking services so in spite of that as we said that in June we were able to bounce back year-on-year growth, so as you see in this quarter and see progress, we expect we are moving to double-digit growth, so both on a quarter-on-quarter basis as well as year-on-year basis. We expect the double-digit growth momentum to continue and that is how you will see the business so while there were impact in the month of April and May right after that the lockdown, we were able to bounce back and we started delivering, all the steps what in terms of various improvements and which all started ending this, so we see that in other company getting into double-digit growth, we expect that growth momentum would continue and we expect to grow well.
- Unknown Speaker:** Thank you so much.
- Moderator:** Thank you. The next question is from the line of Khush Gosrani from Vishuddha Capital. Please go ahead.
- Khush Gosrani:** Thank you for the opportunity, I have just one question, the decline in marriage services loss is due to reduction in sales or you have structurally reducing costs?
- Murugavel J:** Definitely the cost optimization was done in wedding services considering that large weddings are not taking place that definitely optimized the cost there again a full benefits of optimization what we have done wedding services that will take another quarter or so but one of the reason is that we expect the losses in wedding services go into further decline.
- Sushanth Pai:** Also, if you recollect the photography business we slowly brought it down to get into a market place model. I think that some benefit has been got it into the current quarter as well because it is in final stages in terms of getting it off the radar. So that is also beneficial in terms of the wedding services losses coming down.
- Khush Gosrani:** Okay and what would be the path going forward in this segment?
- Murugavel J:** Wedding services at this point on we focused on enhancing our product and services offering and we have moved to the subscription business models but the outlook at this wedding services definitely they are uncertain because as you all know that the weddings are not taking place. Till that happens we have to wait and watch but you know, all the business is going to evolve but however we feel that once the market opens, once the COVID situation ends and once the wedding takes place, we will get back on growth path of wedding services, since this segment is badly impacted and we are using this opportunity to do what we can do and at the same time, we do get certain segment of vendors to sign up those are the segments are not impacted too much and that is one of the thing we are looking at, revenue on wedding services coming from some of the segments that we believe that we could be able to get the revenue going, so the thing is that outlook for wedding services till the COVID situation ends, it continues going to be muted but

however when the things opens up we expect we will be able to accelerate strongly on wedding services.

Khush Gosrani: Thank you and one last question is the decline in ATV sequential decline is because of higher discounting we have done or is it any other reason?

Murugavel J: In terms of the approach what you are thinking with respect to pricing is that it is looking at a one single price we are looking at a segmented price based on the region of course the economic status there is lot of other criteria's as such. So, the objective is to increase the conversion and there are certain markets we all know that there is a competition to get enough to compete against competitor market where it is quite high there. So, they are taking different pricing strategies and we expect that the price is going to be probably may be in a similar range or probably against it depends on favorable to offer a further discount as some segment. The objective is to increase the revenue increase the conversion even if you must give discount in some segment in some market. So, the reason for ATV drop, yes, it is the differentiated prices to different segments.

Khush Gosrani: Thank you and all the best. That is, it from my side.

Moderator: Thank you. The next question is from the line of Riddhima Chandak from Roha Asset Managers. Please go ahead.

Riddhima Chandak: Good afternoon Sir. Thank you for the opportunity. My question is on the industry-wide data so in the last two years to three years how the industry has grown previously and what are your expectations that it would grow in the next four years to five years?

Murugavel J: The last couple of years industry has become highly competitive and of course post our listing. However, we see that the outlook for our growth we are definitely exceeding at a good growth going forward because definitely a large adoption and people are moving to online, there is smartphone penetration there are lot of things happening in the right direction. So, believe that also they have innovated competition also good because the increased awareness of the online matrimony facility by and large is going to benefit the industry. So, as a leader definitely we believe that we are well positioned to leverage these opportunities, while even in last couple of years definitely while we had our own challenges again we did communicate in a couple of quarters before, we are taking some or other internal intervention to ensure that the organization is ready to the leverage the opportunity in the matchmaking space. That some of the steps what we have taken in terms of our ability to increase our conversion all the things are falling in place, that is one of the reasons why in spite billing being less in Q1 it still seems that because renewal has definitely contributed good for our business. In spite of low billing in Q1 and Q2 normally seasonal we expect that even in Q2 we will be able to grow double-digit. So, that is outlook for the next four year-five years definitely we expect that the growth movement is going to continue because of the few reasons, one is about adoption of internet and smart phones, second is increased awareness in this category as people definitely choosing online matrimony as a way to find a life partner. Whether 10%-15%-20% depends on how well you can execute it it, but you see that we are getting the double-digit growth starting this quarter. We got a competition we do



not know I cannot comment and talk because depends on how well we execute and depends on what are their plans but I can talk from our point of view we believe that we are going to be equipped and positioned to leverage the opportunity.

Riddhima Chandak: Got it and in our pricing part currently our pricing as you said we are in a similar range as it was in FY2020, going forward what percentage would increase in the next one year or two years so that it can increase our ATV?

Murugavel J: I think the ATV is not the focus for us we are now probably may be in the same range. Our objective is to grow the number of subscriptions and revenue side. So, as on date there are different customers, different customer segments, so we must offer a differentiated choice and convert these customers. So, that being the case I do not see whether there is any sudden increase in ATV until something changes in that at least one item you can fairly assume that the ATV probably in the similar range.

Riddhima Chandak: I just want to know that is there any levels that this is the range for premium customers or this is the range for mid-level customers and lower in the sense low priced any geography wise or so or is this model works in our business?

Murugavel J: Definitely, we offer various prices and the various segments of customers so there is nothing like one standard price. Again, there are multiple regions, multiple segments so that way that I would not say that this is the price for this particular segment or customer it may seem there is varied experiment and see whether what works with us

Sushanth Pai: Pricing is a combination of what sort of duration of package you take right it could be three months, six months and one year so the pricing can change accordingly there. Second the category of customer you are for example you can be a basic matrimony customer who takes three months, six months or twelve months or you can be for example we have a separate brand called Elite Matrimony so the pricing is very, very different from a basic customer in Elite Matrimony but however Elite Matrimony is a smaller proportion of our overall business so therefore all these influences finally how the average pricing is arrived at. So, that is the way to see the pricing has big range from a basic to even to an Elite Matrimony sort of a customer.

Riddhima Chandak: Okay, so how many like we have approximately 167,000 paid customers what percentage is in the Premium or Elite Matrimony category and mid-level and lower-level categories as a percentage?

Murugavel J: It is not a significant quarter part of our business, around 20% plus of the business comes from the personalized services or less than that. Majority has come from online business.

Sushanth Pai: The premium would be Elite and Assisted and like Muruga said it will be somewhere in the region of 15% or so in that range and the remaining would be the basic.

Riddhima Chandak: Thank you for the opportunity.



- Moderator:** Thank you. The next question is from the line of Rajesh Ranganathan from Doric Capital Corporation. Please go ahead.
- Rajesh Ranganathan:** Thanks a lot for the opportunity. We have mentioned after April-May we had a decent recovery in June but overall our revenue in the matchmaking business is still down year-on-year which is different from the commentary we heard from InfoEdge recently there they said they are growing that they said 25%-30% I understand it is from a different base but still it is quite a big difference. So, just wanted to understand your thought process and why we have different commentary from the two businesses?
- Murugavel J:** The thing is that to say Rajesh one is about that size. Second one is about our business as I said we have some in retail business plus online business. Some of the business segment of us it is again we have large retail presence but some of these businesses are severely impacted compared to the online business. So, again the personal matchmaking business you have elite matrimony and that business is also impacted because elite customers would like to make payment post meeting the salesperson in person by and large. So, some of these businesses impacted but if you look at online business you will start to get the answer. But the same is started bouncing and we are moving into double-digit growth from this quarter onwards. So, again one thing about that despite mix of our business offerings. We have done well as going back in June and we see the double-digit growth in this quarter. So, we see that this is coming back to the good growth and we expect the momentum to continue.
- Rajesh Ranganathan:** From cost management perspective our marketing costs if I read it correctly it is still about 31% of revenue for Q1 correct me if I am wrong. So, you did not see much scope to reduce that or it was pre-committed, and you could not change much during that quarter?
- Murugavel J:** No, in fact compared to earlier plan we did increase the marketing but just because we saw the upside on the business we had indicated that we thought the business will be down by 20%, actually we are able to reduce a losses in May and June we have bounced back in growth year-on-year when we saw the opportunity when we saw the business bouncing back we have slightly increased our marketing. So, I think the thing is we are able to optimize the cost and we expect that the marketing moves up slightly or more or so depends on how well you are able to achieve double-digit growth to support the business. So, we are looking at as you said while given the marketing moves up and we are still able to maintain the profit margins and one more thing I want to tell you Rajesh because of the Q1 billing impact in Q2 so the billing wise will be double-digit growth, revenue will be in a single-digit growth. But all these things start showing from Q3 onwards as revenue the full benefits of the increased growth we will see only from one more quarter down the line from Q3 onwards.
- Rajesh Ranganathan:** During this period have we thought about whether we can shift more of our business and business processes online as opposed to as you said we still have the reasonable retail presence I can understand for elite matrimony probably remains somewhat offline but for the rest of our business what is your thought process?



- Murugavel J:** Definitely, we are trying to push as many things as online in fact one thing definitely you will see that shift in the number of shifts is going for online payments which is quite a large in spite it dependency on offline is come down so drastically. So, the continued push the payment many things are online. But the retail is for the ecosystem, is part of our offering where definitely we are optimized some of our retail outlets. I think for the retails should continue and we have reduced the outlets large part of retails and will remain and continue to contribute also. But in terms of the revenue contributor retail it is not too significant for us but that will continue.
- Rajesh Ranganathan:** Finally from me, everybody is cutting back on marketing spend so if you are still spending on that you probably can get more bank for the buck for this in the sense if your spending 31% of sales too you probably getting more for it right because unit prices would have gone down or not?
- Murugavel J:** But again, while we saw some of the things online in the month of April-May but a few signs of progress, it is kind of moved up. But in terms of TV we definitely we are able to get more for this thing because probably when not many will advertise we are able to get some benefit as well but as you progress how long this benefit is going to continue it will remain to be seen because we see that people are coming back and people start advertising. So, initially we did get some benefit continue get benefits but again the benefit things are coming down because the more and more people will come to advertise that will come down. Some of the things are dynamic and you have intelligent system they are able to optimize the cost according to the demand but you also saw that even online category definitely that competition will be quite active. In some of the geography we continue drag and continue invest to get our share of the profile and as you said we definitely increase our profile acquisition from some of the key market which is market like North and just they have been growing fairly well in this market as well.
- Rajesh Ranganathan:** Thank you so much. I will go back in the queue.
- Moderator:** Thank you. The next question is from the line of Khush Gosrani from Vishuddha Capital. Please go ahead.
- Khush Gosrani:** What is the strategy to increase conversion from free subscribers to paid?
- Murugavel J:** There are multiple things one is about the product and offerings that is one thing and our sales efforts and again combination of leveraging products features and leverage AI and the sales effort again telecaller and other things plus also for various segments and differentiated prices multiple things are happening to the customer to go for paid membership.
- Khush Gosrani:** Just for my understanding as we go forward, and we see our paid subscriber is getting increased will the conversion ratio will look lower because the base is higher or is my understanding wrong?
- Murugavel J:** Sir, I did not get what is it can you just repeat again?



Khush Gosrani: Sir, as of now our conversion ratio is around 15% from a free to paid subscribers if I have got that data point correct so as we move forward even though our free subscriber base grows but the paid subscribers grow slower this conversion ratio would look lower even though both are increased?

Murugavel J: Yes, the way to look at the conversion percentage when the people register conversions happens over a period of time. Our business has a mix of both the first-time conversion and renewal things. So, since the entire conversion happens in one year or in two years. So, looking at the particular months how many free profiles happened and how many paid profiles happened and looking at that is converted in percentage it is not the appropriate way to look at the percentage of conversions. Because this conversion happens over a period of one year or so even you get some 50% profiles moves up in a particular month the impact of the 50% profile increase in particular month is very minimum because only certain percentage of the members convert between the same month. Then the subscribed renewal also happens it is not immediately there are people who renew immediately after of the expiry of paid membership and also there are people who renew before the expiry of paid membership. There are also people who even pause to renew their subscription.

Khush Gosrani: I got it. Thank you.

Moderator: Thank you. The next question is from the line of Laxmi Narayan from ICICI Mutual Fund. Please go ahead.

Laxmi Narayan: Thank you. I see these number as paid subscription from 170,000 in end of Q1 now as on end of Q1 how many are actually paid subscribers because in subscription it is essentially the total cumulative subscriptions but if I just look at the unique subscribers how much this number would be as of end of June?

Murugavel J: The data reported is how many people have taken paid subscription during a particular quarter and that could be if you look at total paid subscription that will be definitely more than the number of paid subscription that happened in the first quarter because there are people who have taken six months package, there are people taken one year package also and that number definitely is more than the number of paid transaction happened during the particular which is going to.

Laxmi Narayan: No, not is it there are 1.7 subscriptions so as on that day I just want to know how many are actually paid subscribers, I mean how many unique accounts that are actually subscribed it will be less or it will be more?

Murugavel J: It will be more. The number you are talking about is the number of paid subscriptions on any day that number is more than the number of paid transactions happened during the particular quarter.

Laxmi Narayan: Now to increase the number of paid subscribers to multiple let us say five times or so what are the three external reasons that would actually should happen and what are the three things which you can actually do internally a way to make it happen. Internally you may be doing your



marketing you are improving conversion etc.. right. But what are the external factors that would enable this as a catalyst to bring it up?

Murugavel J: The external factors are one is, I say that increase which is of internet, smartphones and people adopting this category. So, these three things happen probably we see all these three things are happening and these things we can drive more different signing of online matrimony platform, and in terms of the conversion that conversion is a function of many things with online product and offerings and ability to convert, sales efforts. So, these three things that is sales efforts, product size and the pricing strategy too to get more people to go for the conversion. So, these are the things I could think of to get more people to go for paid subscription and to get the people off signing of going for free members going for a paid subscription.

Laxmi Narayan: One of the external factors you mentioned that it has to be smartphone penetration and so on, do you see any specific thing that could happen to grow multifold because if you think the customer segment you are targeting which is essentially the Millennials etc., right or it is fairly assume that they are having the smartphone connections, etc., so is there any specific thing you expect that can just increase it multifold?

Murugavel J: We see that the increased adoption of the internet, smartphone or people signing up around in matrimony platform that is happening, but it can further accelerate? Yes, it can accelerate because that is why we see the multiple factors are contributing today increase in that option, thanks to the Jio and the way covid for that matter has taken shape the digital adaption has been good. So, it has already happened, whether it can accelerate, yes, possibly it can happen and again there is increased visibility in the matrimony also comes again to the competitor's visibility. I think all these factors seems to be contributing the growth of this category we expect the momentum to continue and wait and see whether it can further go up yes it can happen.

Laxmi Narayan: Okay and internally what are the things that you are doing to accelerate it?

Murugavel J: As I said it is about the pricing strategies and the product strategies and the sales efforts.

Laxmi Narayan: Is there that the price reduces to get more subscribers coming in, is something that happens, or it is like elastic or it is non-elastic?

Murugavel J: Again the pricing this is category depends on the customer segment but by and large the matrimony is a category that the people sign up once in a lifetime and by and large seen in the past and whenever we increase the price we did not see the drop in conversion; however, today we get customer segment from across the peers and also some market as competition we also realize that some customer segment where we consider economic status because the comfort is where we use as online matrimony today online matrimony has been fairly getting a wider acceptance across the market. We understand that what is the pricing strategy, what you have adopted for where it was by and large in the metros and cities where there are people, I think considering that the new sign ups happening from across the tier we believe that it is right to offer on a different set of price compared to that kind of customers obviously for matrimony. For



the segment of the category to come back, yes. I think so but having said that we continue optimizing price and set a segment and continue offer discounts to certain segment.

Laxmi Narayan: Got it. Thank you.

Moderator: Thank you. The next question is from the line of Prince Poddar from JM Financials. Please go ahead.

Prince Poddar: Thanks for the opportunity. I had just one question. I wanted to understand whether you have a different strategy when it comes to the South Indian part of India or against north and west, so essentially I mean to ask whether is a pricing strategy differential and also in terms of marketing promotions etc.?

Murugavel J: Sir, you are right due to the marketing strategies our pricing strategy varies from market to market as you believe that is necessary and important. We believe that is the way we will continue going to operate.

Prince Poddar: Is there something or some metric you can share in that respect, so probably in terms of what percentage of your marketing spends were there to target the north and west market versus the south market?

Murugavel J: So, we do not disclose the marketing budget for every market segment for that competitive nature but again you look at the opportunity, you look at the competitive intensity, according to you we now figure out what is the marketing strategy I would not say that marketing strategy is also constant. According to the trend, according to the opportunity, according to as I said, how the other players are behaving according to the strategy and all this is going to defend how you are going to spend but definitely in terms of the strategy yes, strategy different for various market segments pricing also different for various market segments.

Prince Poddar: Just one add-on to that question Sir, one of your competitors of course have mentioned that there is a kind of pricing competition going on so does it happen that if the competition reduces prices and just in a way the last question also mentioned, does it happen that when the competition reduces prices you also generally have to or is it generally an independent call to take the discount, more discount during the quarter or pricing or aggressive pricing that kind of things?

Murugavel J: Thankfully that most of the market we are very strong and we need not worry about what price competition is offering particularly in the market like south and to the some extent east also we are very strong and we do not worry about tomorrow competitor offers zero price, we are not going to reduce our price and all, even the south there are certain segment somebody lower income set of segment obviously we tried to offer a lesser price because considering the socioeconomic scenario not because of the competition, we believe that I think it was right to offer. When it comes to a market like north and west, there is intense competition. However, it is important market for us in future growth, and future strategy but considering that we are one of the leaders in that market but west we are doing fairly okay, I would say that except north it is



one of the markets that is highly intense and that market where we think that after considering that we are one of the leaders while we continue growing our penetration. We have been seeing the increased the portfolio acquisition in north we have seen pretty good growth in the market. We are not getting specific of the market wise we are seeing good growth in northern market in fact it is one of the markets really grew well in the last quarter. So, that is the case we can say there is growth happening plus also that discount is in the market because the competitors are there. We think it is important to offer discounted price because when the customer has a choice we think that we do not want also kind of act pricey when you are a strong leader in the market, it has been well insulated no matter what competition does in terms of pricing and other things because we have a lot number of profiles, strong brand recalls, strong penetrations.

Prince Poddar: Just last one Sir from my side. Hypothetically, let us say if there was no competition in north and west, let us say you were the only operating company in India, considering the amount of money being spent on Indian marriages do you think you would have very big pricing power and you could probably price your product much more than what it is today?

Murugavel J: We can definitely increase our price, we can offer but again whether you want to know, I think that has been a case, definitely the price can go up because when there is no competition and obviously we don't have to give discount, there is opportunity we have to increase our price; however, you know we do not want even more for hypothetically that being the case, do you want to double the price? No. I have to take up the price gradually because we do not want to create a defiance in that we are trying to be leverage the opportunity order but again most of us must adopt using all those things, so I think the gradual increase makes sense than a sudden increase of price and all the things so that being hypothetical answer.

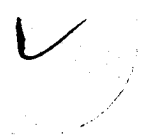
Prince Poddar: Absolutely. That is very helpful. Thank you.

Moderator: Thank you. The next question is from the line of Laxmi Narayan from ICICI Mutual Fund. Please go ahead.

Laxmi Narayan: Thanks again. If you look at your subscribers and when there are onsite profiles, now when you look at this conversion of these things, what are the things we are doing to convert them? Is it happens by their own habit of finding value in it or how do you entice them to do and is it something which you do specifically for a different segment like a mail in a Tier-1 city or some kind of demographic selection you do to entice with the conversion because if you look at over the last couple of years the number of subscriptions have been on the lower side much less than what you would be happy about, how do you do that?

Murugavel J: We see that the conversion is moving up, as I said we are getting a double-digit growth we expect the growth move continue.

Laxmi Narayan: Sorry, I did not get that double-digit growth you mentioned because if I look at your annual report for the last two years to three years, the numbers have been fairly around that, 7.5 lakhs of



whereabouts right so in account of double-digit we are talking about the profile or the subscription?

Murugavel J: So, I was talking about the billing growth. Obviously, the billing happens the subscription need to move up. However you know double-digit growth supposed to happen in the Q4, however because of the Q1 impact of the COVID we could not achieve the double-digit growth but again Q2 onwards we are getting a double digit growth.

Laxmi Narayan: I am sorry to interrupt when you say double digit growth you name the billings right, or you name the underlying subscription growth, when you say double-digit what does it exactly means?

Murugavel J: Double-digit growth what I mean is the billing growth that is the sale.

Laxmi Narayan: So, leave the billing, if you look at the paid subscription I mean the unique subscribers you take that as a double-digit, how do you achieve that, that was my question, billing can be achieved by taking the prices that is one aspect right I understand completely but how would you make core subscriber growth that is what I am talking about?

Murugavel J: In the future, growth will be led by paid subscriptions. It depends upon the different levels of intensity of people to make payments and their interest to get married. They need to see value before they pay. We create interest through product interventions to help them decide.

Laxmi Narayan: Thank you Sir.

Moderator: Thank you. I would now like to hand the conference over to the management for closing comments.

Sushanth Pai: Thank you all for joining this call and hope all of you stay safe and healthy. If you have any questions you can write to us and we look forward to staying in touch in coming quarters as well. Thank you.

Murugavel J: Thank you for joining the call and thanks for all your support and stay healthy, stay safe, and look forward to connecting next quarter. Thank you so much.

Moderator: Thank you. On behalf of Axis Capital that concludes today's conference call. Thank you for joining us. You may now disconnect your lines.

(This document has been edited for readability)

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: 044-49001919
Email: investors@matrimony.com,
CIN: L63090TN2001PLC047432