

14 November 2025

India | Equity Research | Results Update

Matrimony.com

Internet

Muted quarter; recovery expected from Q4FY26

In Q2FY26, Matrimony's billing grew 6.7% YoY, while revenue remained flattish YoY due to the rollout of 1-year packages, which widened the billing–revenue recognition gap. Average transaction value grew 10.8% YoY, driven by longer-tenure plans. Management expects double-digit billing growth in Q3, with revenue and PAT improvement from Q4FY26 onwards as deferred revenue begins to flow through. The company is also diversifying via ManyJobs monetisation and upcoming AI-driven astrology offerings, though sustained marketing intensity remains a key monitorable. We maintain **ADD**, given the relatively inexpensive valuation and management's constructive billing growth outlook.

Q2FY26 performance review

In Q2, Matrimony's revenue was INR 1.2bn, flattish QoQ/YoY (in line with I-Sec est.). Revenue from matchmaking services (~98.8% of total revenue) was flattish QoQ/YoY. EBITDA margin was 10.6%, down 39bps QoQ/446bps YoY. PAT in Q2FY26 was INR 78mn. Matchmaking services' billings grew 6.9% YoY to INR 1.2bn and marriage services' billings declined 25% YoY to INR 9mn. Paid subscription (240k) declined 4% YoY. Average transaction value (ATV) was up 12.2% QoQ/up 10.8% YoY to INR 4,914 driven by longer-tenure plans and price reset in some segments.

Management commentary

Management indicated it is already seeing double-digit billing growth in Q3-TD and remains confident that both Q3 and Q4 will deliver double-digit YoY billing growth. Revenue and PAT are currently muted due to the rollout of long-term (1-year) packages, which has widened the billing–revenue recognition gap. Revenue normalisation begins in Q4FY26, with full P&L impact likely from Q1FY27.

Management expects Q3FY26 PAT to be broadly similar to Q2, followed by a meaningful improvement in Q4 and a sharp recovery in Q1FY27. Over 10% of users opt for 1-year plans, though customers for shorter tenures remain the majority.

Financial Summary

Y/E March (INR mn)	FY24A	FY25A	FY26E	FY27E
Net Revenue	4,814	4,558	4,776	5,227
EBITDA	721	583	681	818
EBITDA Margin (%)	15.0	12.8	14.3	15.7
Net Profit	495	453	504	639
EPS (INR)	20.7	18.9	21.1	26.7
EPS % Chg YoY	0.0	(8.4)	11.0	26.7
P/E (x)	24.2	26.5	23.8	18.8
EV/EBITDA (x)	11.6	15.2	12.1	9.1
RoCE (%)	10.0	7.7	7.1	8.3
RoE (%)	18.2	17.0	18.9	19.7

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Market Data

Market Cap (INR)	11bn
Market Cap (USD)	122mn
Bloomberg Code	MATRIM IN
Reuters Code	MATI BO
52-week Range (INR)	703 /402
Free Float (%)	47.0
ADTV-3M (mn) (USD)	0.1

Price Performance (%)	3m	6m	12m
Absolute	(4.2)	(0.9)	(22.2)
Relative to Sensex	(9.1)	(5.0)	(31.0)

ESG Score	2024	2025	Change
ESG score	69.0	69.0	0.0
Environment	37.5	41.2	3.7
Social	75.1	72.8	-2.3
Governance	83.4	82.7	-0.7

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Previous Reports

14-08-2025: [Q1FY26 results review](#)

19-05-2025: [Q4FY25 results review](#)

Competition from the large national player continues, particularly in TV and digital marketing. Management noted that competitive intensity has moderated vs. prior years. The company continues advertising to maintain brand salience in markets where the largest competitor is active. There are no signs of industry consolidation, and marketing spend is expected to remain broadly stable, unless competitive dynamics shift.

On capital allocation, management reiterated that buyback decision is Board-driven. Since the last buyback completed less than a year ago, the Board can revisit the matter only after the mandatory cooling-off period.

Management plans to launch Astrology AI this month—an offering where all responses will be entirely AI-generated, with no involvement of human astrologers.

Valuation

We maintain **ADD** on the stock with a revised target price of INR 570 (earlier INR 600), based on ~21x one-year forward P/E multiple (FY27E).

Upside risks: 1) Stronger-than-expected market share gain in India's Northern region, driving recovery in matchmaking; and 2) new initiatives gaining traction faster than anticipated. **Downside risks:** 1) Weaker-than-expected conversion of active profiles into paid subscriptions; and 2) slower-than-expected scale-up in marriage services.

Exhibit 1: Q2FY26 review

(in INR mn)	Q2FY26	Q1FY26	Q2FY25	QoQ (%)	YoY (%)	I-sec estimates	Var (%)
Net Sales	1,146	1,153	1,155	(0.6)	(0.8)	1,156	(0.8)
Total Expenses	1,025	1,027	982	(0.2)	4.4	1,028	(0.3)
EBITDA	121	126	173	(4.1)	(30.2)	128	(5.2)
EBITDA %	10.6	10.9	15.0	-39 bps	-446 bps	11.0	-48 bps
Depreciation	70	68	75	2.8	(6.3)	74	(4.4)
EBIT	51	58	98	(12.3)	(48.5)	54	(6.3)
Finance Cost	12	11	13	6.2	(4.0)	12	0.8
Other income	61	64	86	(3.9)	(28.9)	90	(31.9)
Recurring pre-tax income	100	110	172	(9.3)	(41.9)	132	(24.4)
Taxation	22	24	40	(10.7)	(45.8)	33	(33.8)
Recurring Net Income	78	86	132	(9.0)	(40.7)	99	(21.2)
Reported Net Income	78	84	132	(7.6)	(41.0)	99	(21.4)

Source: Company data, I-Sec research

Exhibit 2: Shareholding pattern

%	Mar'25	Jun'25	Sep'25
Promoters	53.3	53.3	54.3
Institutional investors	30.8	31.0	29.7
MFs and others	4.0	4.0	3.0
FIIIs	26.8	27.0	26.7
Others	15.9	15.7	16.0

Source: Bloomberg, I-Sec research

Exhibit 3: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 4: Profit & Loss

(INR mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
Net Sales	4,814	4,558	4,776	5,227
Operating Expenses	4,092	3,976	4,095	4,409
EBITDA	721	583	681	818
EBITDA Margin (%)	15.0	12.8	14.3	15.7
Depreciation & Amortization	284	293	337	360
EBIT	437	290	344	458
Interest expenditure	52	48	70	79
Other Non-operating Income	261	337	421	472
Recurring PBT	647	579	695	852
Profit / (Loss) from Associates	0	(1)	-	-
Less: Taxes	152	125	191	213
PAT	495	454	504	639
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	-	-	-	-
Net Income (Reported)	495	453	504	639
Net Income (Adjusted)	495	453	504	639

Source Company data, I-Sec research

Exhibit 5: Balance sheet

(INR mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
Total Current Assets	3,641	728	1,643	2,428
of which cash & cash eqv.	3,374	644	1,289	2,041
Total Current Liabilities & Provisions	1,676	1,654	1,720	1,883
Net Current Assets	1,965	(926)	(78)	545
Investments	256	2,508	2,508	2,508
Net Fixed Assets	643	654	654	654
ROU Assets	-	-	-	-
Capital Work-in-Progress	-	-	-	-
Total Intangible Assets	247	200	200	200
Other assets	-	-	-	-
Deferred Tax Assets	-	-	-	-
Total Assets	3,344	2,953	3,494	4,136
Liabilities				
Borrowings	-	-	-	-
Deferred Tax Liability	-	-	-	-
provisions	-	2	13	14
other Liabilities	5	-	26	29
Equity Share Capital	111	108	108	108
Reserves & Surplus	2,804	2,308	2,812	3,451
Total Net Worth	2,915	2,416	2,920	3,558
Minority Interest	-	-	-	-
Total Liabilities	3,344	2,953	3,494	4,136

Source Company data, I-Sec research

Exhibit 6: Quarterly trend

(INR mn, year ending March)

	Dec-24	Mar-25	Jun-25	Sep-25
Net Sales	1,114	1,083	1,153	1,146
% growth (YOY)	-5.0	-9.2	-4.4	-0.8
EBITDA	137	71	126	121
Margin %	12.3	6.5	10.9	10.6
Other Income	70	113	64	61
Net profit	100	82	84	78

Source Company data, I-Sec research

Exhibit 7: Cashflow statement

(INR mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
Operating Cashflow	612	569	632	719
Working Capital Changes	28	68	142	113
Capital Commitments	(186)	394	(337)	(360)
Free Cashflow	426	962	294	358
Other investing cashflow	(140)	181	421	472
Cashflow from Investing Activities	(327)	575	84	112
Issue of Share Capital	2	2	-	-
Interest Cost	(132)	-	(70)	(79)
Inc (Dec) in Borrowings	-	(199)	-	-
Dividend paid	(111)	(111)	-	-
Others	(51)	(734)	-	-
Cash flow from Financing Activities	(292)	(1,042)	(70)	(79)
Chg. in Cash & Bank balance	(7)	101	645	752
Closing cash & balance	81	182	1,289	2,041

Source Company data, I-Sec research

Exhibit 8: Key ratios

(Year ending March)

	FY24A	FY25A	FY26E	FY27E
Per Share Data (INR)				
Reported EPS	20.7	19.0	21.1	26.7
Adjusted EPS (Diluted)	20.7	18.9	21.1	26.7
Cash EPS	32.6	31.2	35.2	41.8
Dividend per share (DPS)	2.0	2.0	2.0	2.0
Book Value per share (BV)	122.0	101.1	122.2	148.9
Dividend Payout (%)	10.4	9.5	10.5	13.4
Growth (%)				
Net Sales	5.6	(5.3)	4.8	9.5
EBITDA	7.0	(19.2)	16.9	20.2
EPS (INR)	0.0	(8.4)	11.0	26.7
Valuation Ratios (x)				
P/E	24.2	26.5	23.8	18.8
P/CEPS	15.4	16.1	14.3	12.0
P/BV	4.1	5.0	4.1	3.4
EV / EBITDA	11.6	15.2	12.1	9.1
P / Sales	2.5	2.6	2.5	2.3
Dividend Yield (%)	0.4	0.4	0.4	0.4
Operating Ratios				
Gross Profit Margins (%)	100.0	100.0	100.0	100.0
EBITDA Margins (%)	15.0	12.8	14.3	15.7
Effective Tax Rate (%)	23.4	21.6	27.5	25.0
Net Profit Margins (%)	10.3	10.0	10.6	12.2
NWC / Total Assets (%)	58.8	(31.4)	(2.2)	13.2
Net Debt / Equity (x)	(1.2)	(1.3)	(1.3)	(1.3)
Net Debt / EBITDA (x)	(5.0)	(5.4)	(5.6)	(5.6)
Profitability Ratios				
RoCE (%)	10.0	7.7	7.1	8.3
RoE (%)	18.2	17.0	18.9	19.7
RoC (%)	19.7	18.4	20.8	21.5
Fixed Asset Turnover (x)	5.4	5.8	6.1	6.6
Inventory Turnover Days	0	0	6	6
Receivables Days	0	0	6	6
Payables Days	40	51	51	51

Source Company data, I-Sec research

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