

Matrimony.com

Internet

Billing recovery in sight amid competitive pressure

In Q1FY26, Matrimony’s billing grew 7.7% YoY while revenue declined 4.4% YoY due to timing differences in revenue recognition. Management expects FY26 to deliver double-digit billing growth, noting that Q2 is seasonally weaker but still on track for high single-to-double-digit YoY growth. Competitive pressures continue, causing ad spends to remain elevated. Management believes, Matrimony still has >50% market share in India. They are now focused on expanding presence in the north and east India. Strategic initiatives, including Many Jobs’ monetisation, AI-driven astrology offerings, tweaking wedding services and upcoming product launches (Allow.com), indicate that the company is trying to diversify. We upgrade to **ADD**, from *Hold*, given improving billing growth outlook, which should help rerate the stock.

Q1FY26 performance review

In Q1, Matrimony’s revenue was INR 1.2bn, up 6.5% QoQ/down 4.4% YoY (6.7% above I-Sec est.). Revenue from matchmaking services (~98.8% of total revenue) was up 6.6% QoQ/down 3.8% YoY. Marriage services’ revenue (~1.2% of overall revenue) was down 5.4% QoQ/37.6% YoY. EBITDA margin was 10.9%, up 441bps QoQ/578bps YoY. PAT in Q1FY26 was INR 84mn.

Matchmaking services’ billings grew 10.4% QoQ/7.7% YoY to INR 1.3bn and marriage services’ billings declined 25% QoQ/YoY to INR 9mn. Paid subscription (260k) grew 4% QoQ/flattish YoY. Average transaction value (ATV) was up 3.3% QoQ/up 8.6% YoY to INR 4,775.

Management commentary

Management stated that FY26 is on track for double-digit YoY billing growth. Q2 is typically a softer quarter for the matchmaking business due to seasonality; sequential decline from Q1 is expected, but YoY growth should remain in the high single or double digits.

The Q1 matchmaking EBITDA margin dip was noted as temporary due to the timing of revenue recognition, with margin expected to stabilise as deferred revenue flows through in subsequent quarters.

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)	25.3	27.6	24.9	19.6
EV/EBITDA (x)	12.3	18.3	14.0	10.9
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)	129mn
Bloomberg Code	MATRIM IN
Reuters Code	MATI BO
52-week Range (INR)	842 /402
Free Float (%)	47.0
ADTV-3M (mn) (USD)	0.1

Price Performance (%)	3m	6m	12m
Absolute	3.4	1.8	(12.1)
Relative to Sensex	4.1	(3.9)	(14.1)

ESG Score	2023	2024	Change
ESG score	69.3	69.0	(0.3)
Environment	40.8	37.5	(3.3)
Social	76.6	75.1	(1.5)
Governance	79.6	83.4	3.8

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.
Source: SES ESG, I-sec research

Previous Reports

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

07-02-2025: [Q3FY25 results review](#)

Management highlighted that the paid subscriber count (260k) has been largely flat YoY due to weaker renewals, though first-time subscriber volumes are rising. ATV grew 8.6% YoY, driven by a higher share of personal services, mix shift to longer-duration packages, and premium offerings like assisted services. Renewal volumes are expected to take a couple of quarters to recover, with first-time additions driving near-term growth.

Management added that monetisation of the 'Many Jobs' platform will likely begin in Q2 (1mn downloads in Tamil Nadu). AI + human astrology remains in early experimentation, with product-market fit yet to be established. A new matchmaking product under Allow.com is planned for launch by end-Q3. Strategies are also being formulated to strengthen presence in north and east India, where progress has been limited; updates are expected in the coming quarters.

Matrimony expects competitors' growth to normalise to ~10–15%. The company expects to narrow its growth differential with competitors.

Employee count has reduced from >4,000 to ~2,700 over the past 5–6 years. Management indicated that further productivity gains are possible via AI and process improvements, though investments in growth-oriented roles (e.g., personal services) shall continue.

Marketing spend is expected to remain at current levels, with reallocations between markets and segments i.e., reducing in some areas and increasing in others (e.g., elite matrimony, new initiatives).

Management stated that no immediate buyback is planned; the board shall review after the one-year post-buyback gap.

Valuation

We upgrade to **ADD**, from *Hold*, with a revised target price of INR 600 (up from INR 485), based on ~22.5x (up from 18x) one-year forward P/E multiple (FY27E) due to improved billing growth visibility from Q2FY26.

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: Q1FY26 review

(in INR mn)	Q1FY26	Q4FY25	Q1FY25	QoQ (%)	YoY (%)	I-sec estimates	Var (%)
Net Sales	1,153	1,083	1,206	6.5	(4.4)	1,081	6.7
Total Expenses	1,027	1,013	1,004	1.4	2.3	990	3.7
EBITDA	126	71	202	78.5	(37.4)	91	39.3
EBITDA %	10.9	6.5	16.7	441 bps	-578 bps	8.4	256 bps
Depreciation	68	70	74	(2.8)	(7.2)	74	(6.9)
EBIT	58	0	128	19,166.7	(54.8)	17	238.4
Finance Cost	11	11	13	1.8	(9.6)	12	(5.0)
Other income	64	113	68	(43.5)	(6.3)	90	(29.1)
Recurring pre-tax income	110	102	184	8.0	(39.9)	95	15.9
Taxation	24	20	44	21.4	(44.0)	24	3.1
Recurring Net Income	86	82	140	4.8	(38.6)	72	20.1
Reported Net Income	84	82	140	2.7	(39.9)	71	18.3
Ratios (%)							
EBITDA margin	10.9	6.5	16.7			8.4	
EBIT margin	5.0	0.0	10.6			1.6	
Effective tax rate	22.1	19.7	23.8			24.9	
Net profit margins	7.4	7.6	11.6			6.6	

Source: I-Sec research, Company data

Exhibit 2: Shareholding pattern

%	Dec'24	Mar'25	Jun'25
Promoters	53.3	53.3	53.3
Institutional investors	30.8	30.8	31.0
MFs and others	4.0	4.0	4.0
FIIIs	26.8	26.8	27.0
Others	15.9	15.9	15.7

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	2,984	3,080	3,788
of which cash & cash eqv.	3,374	1,613	2,727	3,401
Total Current Liabilities & Provisions	1,676	1,654	901	986
Net Current Assets	1,965	1,330	2,179	2,801
Investments	256	251	251	251
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)

	Sep-24	Dec-24	Mar-25	Jun-25
Net Sales	1,155	1,114	1,083	1,153
% growth (YOY)	-5.0	-5.0	-9.2	-4.4
EBITDA	173	137	71	126
Margin %	15.0	12.3	6.5	10.9
Other Income	86	70	113	64
Adjusted Net Profit	133	100	82	84

Source Company data, I-Sec research

Exhibit 7: Cashflow statement

(INR mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
Operating Cashflow	612	569	1,099	641
Working Capital Changes	28	68	609	36
Capital Commitments	(186)	394	(337)	(360)
Free Cashflow	798	175	1,437	1,001
Other investing cashflow	(140)	181	421	472
Cashflow from Investing Activities	(327)	575	84	112
Issue of Share Capital	2	2	-	-
Interest Cost	(132)	(111)	(70)	(79)
Inc (Dec) in Borrowings	-	(199)	-	-
Dividend paid	(111)	-	-	-
Others	(51)	(734)	-	-
Cash flow from Financing Activities	(292)	-	(70)	(79)
Chg. in Cash & Bank balance	(7)	-	1,113	674
Closing cash & balance	81	-	2,727	3,401

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	25.3	27.6	24.9	19.6
P/CEPS	16.1	16.8	14.9	12.6
P/BV	4.3	5.2	4.3	3.5
EV / EBITDA	12.3	18.3	14.0	10.9
P / Sales	2.6	2.8	2.6	2.4
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	45.1	62.4	67.7
Net Debt / Equity (x)	(1.2)	(0.8)	(1.0)	(1.0)
Net Debt / EBITDA (x)	(5.0)	(3.2)	(4.4)	(4.5)
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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