ADD (Maintain)

CMP: INR 519 Target Price: INR 570 ▲ 10%

ICICI Securities

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13 February 2026

India | Equity Research | Results Update

Matrimony.com

Internet

Billing momentum continues; revenue and EBITDA acceleration likely from Q1FY27

In Q3FY26, Matrimony's billing grew 8% YoY, but revenue growth remained muted at 1.6% YoY due to the rollout of one-year packages, which widened the billing–revenue recognition gap. Average transaction value grew 13.3% YoY, driven by longer-tenure plans. Management guided for continued billing momentum in Q4FY26/FY27 and expects revenue acceleration Q1FY27 onwards as deferred revenue begins to flow through. Management also indicated that ad spend across the industry has moderated, supporting margin stability. We maintain **ADD**, given the relatively inexpensive valuation and management's constructive billing growth outlook.

Q3FY26 performance review

In Q3, Matrimony's revenue was INR 1.1bn, down 1.2% QoQ/up 1.6% YoY (2% ahead of I-Sec est.). Revenue from matchmaking services (~99% of total revenue) was down 1.2% QoQ/up 1.8% YoY. EBITDA margin was 11%, up 40bps QoQ/down 133bps YoY; PAT stood at INR 83mn.

Matchmaking services' billings grew 8.0% YoY to INR 1.2bn and marriage services' billings declined 10% YoY to INR 9mn. Paid subscription (230k) declined 4.2% YoY. Average transaction value (ATV) was up 7.7% QoQ/up 13.3% YoY to INR 5,144 driven by longer-tenure plans and price reset in some segments.

Management commentary

Core matchmaking billing grew 8% YoY driven by a 13.3% YoY increase in ATV. The improvement in ATV was supported by a higher mix of one-year subscription packages and premium personalised services such as Elite and assisted offerings. However, revenue growth remained muted at 1.6% YoY, primarily due to the accounting impact of the one-year subscription package introduced earlier in the year. This has widened the gap between billings and reported revenue (~INR 200mn difference over 9MFY26), as a larger portion of billings is being deferred.

Financial Summary

Y/E March (INR mn)	FY25A	FY26E	FY27E	FY28E
Net Revenue	4,558	4,572	5,115	5,556
EBITDA	583	493	705	798
EBITDA Margin (%)	12.8	10.8	13.8	14.4
Net Profit	453	323	484	572
EPS (INR)	20.6	15.6	23.4	27.7
EPS % Chg YoY	(7.6)	(24.1)	49.9	18.2
P/E (x)	25.2	33.2	22.2	18.8
EV/EBITDA (x)	14.2	14.5	9.3	7.3
RoCE (%)	7.7	5.3	9.4	9.8
RoE (%)	17.0	12.5	16.2	16.3

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Market Data

Market Cap (INR)	11bn
Market Cap (USD)	124mn
Bloomberg Code	MATRIM IN
Reuters Code	MATI BO
52-week Range (INR)	593 /402
Free Float (%)	46.0
ADTV-3M (mn) (USD)	0.4

Price Performance (%)	3m	6m	12m
Absolute	0.5	1.9	(0.5)
Relative to Sensex	1.4	(2.4)	(10.3)

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

14-11-2025: Q2FY26 results review

14-08-2025: Q1FY26 results review

Management reiterated that while Q4FY26 billing growth is expected to remain in high single digit to low double-digit YoY range, the full revenue benefit of higher billings and one-year packages will be visible Q1FY27 onwards.

Management believes the current INR 430–450mn quarterly revenue run rate is sustainable, assuming no significant increase in competitive intensity. With operating costs largely stable, incremental revenue growth is expected to meaningfully flow through to EBITDA going forward.

On competition, Matrimony remains the market leader in South India and continues to focus on gaining share in North India, the only major region where it does not hold a leadership position. Industry-wide advertising intensity has softened, helping moderate customer acquisition costs.

Among new initiatives, ManyJobs has crossed 1mn app downloads and onboarded over 10,000 recruiters, currently focused in Tamil Nadu. Monetisation has commenced, and a broader India rollout may occur in late FY27, subject to achieving scale and renewal benchmarks. Wedding Services continues to be loss making, reporting an EBITDA loss of INR 32mn in Q3, but management is experimenting with a transition towards a commission-based model.

The company also announced a buyback of INR 585mn. Management reiterated its disciplined capital allocation framework: selectively investing in scalable, high-ROI opportunities while returning excess cash to shareholders through buybacks or dividends.

Valuation

We maintain **ADD** on the stock with an unchanged target price of INR 570, based on ~21x one-year forward P/E multiple (FY28E).

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 expectations. **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: Q3FY26 review

(in INR mn)	Q3FY26	Q2FY26	Q3FY25	QoQ (%)	YoY (%)	I-Sec estimates	Var (%)
Net Sales	**1,132**	**1,146**	**1,114**	**(1.2)**	**1.6**	**1,103**	**2.7**
Total Expenses	**1,008**	**1,025**	**977**	**(1.6)**	**3.2**	**1,003**	**0.5**
EBITDA	**124**	**121**	**137**	**2.6**	**(9.3)**	**100**	**24.3**
EBITDA %	**11.0**	**10.6**	**12.3**	**40 bps**	**-133 bps**	**9.1**	**191 bps**
Depreciation	67	70	74	**(5.4)**	**(9.5)**	74	**(9.5)**
EBIT	**58**	**51**	**64**	**13.8**	**(9.1)**	**26**	**118.6**
Finance Cost	12	12	12	**(0.8)**	**0.0**	12	**0.0**
Other income	61	61	70	**(0.2)**	**(12.7)**	90	**(32.0)**
Recurring pre-tax income	**107**	**100**	**122**	**7.0**	**(12.1)**	**104**	**2.4**
Taxation	24	22	22	**8.3**	**9.8**	26	**(9.2)**
Recurring Net Income	**83**	**78**	**100**	**6.6**	**(16.8)**	**78**	**6.3**
Reported Net Income	83.0	77.6	99.7	**7.0**	**(16.8)**	78	**6.4**
Ratios (%)							
EBITDA margin	11.0	10.6	12.3			9.1	
EBIT margin	5.1	4.4	5.7			2.4	
Effective tax rate	22.1	21.8	17.7			24.9	
Net profit margins	7.4	6.8	9.0			7.1	

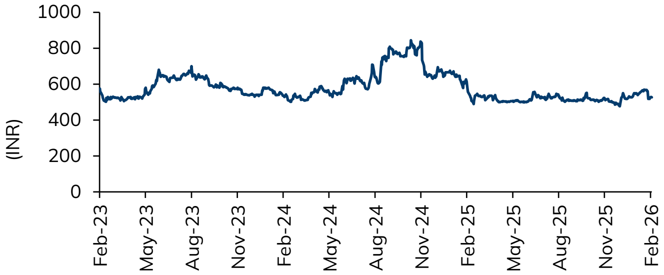
Source: I-Sec research, Company data

Exhibit 2: Shareholding pattern

%	Jun'25	Sep'25	Dec'25
Promoters	53.3	54.3	54.6
Institutional investors	31.0	29.7	29.4
MFs and others	4.0	3.0	3.0
FIIs	27.0	26.7	26.4
Others	15.7	16.0	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)

	FY25A	FY26E	FY27E	FY28E
Net Sales	4,558	4,572	5,115	5,556
Operating Expenses	**3,976**	**4,079**	**4,409**	**4,758**
EBITDA	583	493	705	798
EBITDA Margin (%)	**12.8**	**10.8**	**13.8**	**14.4**
Depreciation & Amortization	293	270	250	250
EBIT	290	223	455	548
Interest expenditure	48	48	48	48
Other Non-operating Income	337	237	210	230
Recurring PBT	579	412	617	730
Profit / (Loss) from Associates	**(1)**	**-**	**-**	**-**
Less: Taxes	**125**	**89**	**134**	**158**
PAT	454	323	484	572
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	-	-	-	-
Net Income (Reported)	453	323	484	572
Net Income (Adjusted)	**453**	**323**	**484**	**572**

Source Company data, I-Sec research

Exhibit 5: Balance sheet

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Total Current Assets	728	1,395	2,055	2,770
of which cash & cash eqv.	644	1,057	1,677	2,359
Total Current Liabilities & Provisions	1,654	1,647	1,842	2,001
Net Current Assets	**(926)**	**(251)**	**213**	**769**
Investments	2,508	2,508	2,508	2,508
Net Fixed Assets	654	654	654	654
ROU Assets	-	-	-	-
Capital Work-in-Progress	-	-	-	-
Total Intangible Assets	200	200	200	200
Other assets	-	-	-	-
Deferred Tax Assets	-	-	-	-
Total Assets	**2,953**	**3,311**	**3,799**	**4,375**
Liabilities				
Borrowings	**-**	**-**	**-**	**-**
Deferred Tax Liability	**-**	**-**	**-**	**-**
provisions	2	13	14	15
other Liabilities	-	25	28	30
Equity Share Capital	108	108	108	108
Reserves & Surplus	2,308	2,631	3,115	3,686
Total Net Worth	**2,416**	**2,739**	**3,222**	**3,794**
Minority Interest	-	-	-	-
Total Liabilities	**2,953**	**3,311**	**3,799**	**4,375**

Source Company data, I-Sec research

Exhibit 6: Quarterly trend

(INR mn, year ending March)

	Mar-25	Jun-25	Sep-25	Dec-25
Net Sales	1,083	1,153	1,146	1,132
% growth (YoY)	-9.2	-4.4	-0.8	1.6
EBITDA	71	126	121	124
Margin %	6.5	10.9	10.6	11.0
Other Income	113	64	61	61
Net Profit	82	84	78	83

Source Company data, I-Sec research

Exhibit 7: Cashflow statement

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Operating Cashflow	**569**	**494**	**708**	**750**
Working Capital Changes	68	90	136	111
Capital Commitments	394	(270)	(250)	(250)
Free Cashflow	**962**	**224**	**458**	**500**
Other investing cashflow	**181**	**237**	**210**	**230**
Cashflow from Investing Activities	575	(33)	(40)	(20)
Issue of Share Capital	2	-	-	-
Interest Cost	-	(48)	(48)	(48)
Inc (Dec) in Borrowings	(199)	-	-	-
Dividend paid	(111)	-	-	-
Others	(734)	-	-	-
Cash flow from Financing Activities	(1,042)	(48)	(48)	(48)
Chg. in Cash & Bank balance	**101**	**413**	**620**	**682**
Closing cash & balance	182	1,057	1,677	2,359

Source Company data, I-Sec research

Exhibit 8: Key ratios

(Year ending March)

	FY25A	FY26E	FY27E	FY28E
Per Share Data (INR)				
Reported EPS	20.6	15.6	23.4	27.7
Adjusted EPS (Diluted)	20.6	15.6	23.4	27.7
Cash EPS	33.9	28.7	35.5	39.8
Dividend per share (DPS)	9.8	5.0	5.0	5.0
Book Value per share (BV)	109.8	132.5	155.9	183.6
Dividend Payout (%)	47.6	32.0	21.3	18.1
Growth (%)				
Net Sales	(5.3)	0.3	11.9	8.6
EBITDA	(19.2)	(15.4)	43.2	13.1
EPS (INR)	(7.6)	(24.1)	49.9	18.2
Valuation Ratios (x)				
P/E	25.2	33.2	22.2	18.8
P/CEPS	15.3	18.1	14.6	13.1
P/BV	4.7	3.9	3.3	2.8
EV / EBITDA	14.2	14.5	9.3	7.3
P / Sales	2.5	2.3	2.1	1.9
Dividend Yield (%)	1.9	1.0	1.0	1.0
Operating Ratios				
Gross Profit Margins (%)	-	-	-	-
EBITDA Margins (%)	12.8	10.8	13.8	14.4
Effective Tax Rate (%)	21.6	21.6	21.6	21.6
Net Profit Margins (%)	10.0	7.1	9.5	10.3
NWC / Total Assets (%)	(31.4)	(7.6)	5.6	17.6
Net Debt / Equity (x)	-	-	-	-
Net Debt / EBITDA (x)	-	-	-	-
Profitability Ratios				
RoCE (%)	7.7	5.3	9.4	9.8
RoE (%)	17.0	12.5	16.2	16.3
RoIC (%)	8.5	6.8	12.0	12.2
Fixed Asset Turnover (x)	5.8	5.8	6.5	7.1
Inventory Turnover Days	-	-	-	-
Receivables Days	0	6	6	6
Payables Days	51	51	51	51

Source Company data, I-Sec research

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