BUY (Upgrade from ADD)

CMP: **INR 446** Target Price: **INR 570** ▲ 28%

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15 May 2026

India | Equity Research | Results Update

Matrimony.com

Internet

Revenue and billing growth recovers; FY27 could mark a revival year

In Q4FY26, Matrimony's core matchmaking billings grew 10.5% YoY and revenue grew 8.4% YoY, driven by higher (+15.3% YoY) average transaction value (ATV). Consol EBITDA margin improved to 12.4% (vs. 11.3% in Q3FY26), aided by efficiency in marketing spends. Management also indicated that ad-spend across the industry has moderated, supporting margin stability. The company completed its INR 585mn buyback in Q4 and management provided a strong Q1FY27 outlook (double-digit revenue growth and PAT more than doubling YoY). Management also expects double-digits billing growth in the matchmaking segment to be sustainable in FY27. We upgrade to BUY, given the expected operating leverage inflection and inexpensive valuations.

Q4FY26 performance review

In Q4, Matrimony's revenue was INR 1.2bn, up 3.2% QoQ/7.9% YoY (5.8% ahead of I-Sec est.). Revenue from matchmaking services (~99% of total revenue) was up 3.5% QoQ/8.4% YoY. EBITDA margin was 12.4%, up 138bps QoQ/582bps YoY; PAT was INR 97.1mn.

Matchmaking services' billings grew 10.5% YoY to INR 1.3bn and marriage services' billings declined 40% YoY to INR 7mn. Paid subscription (230k) declined 8.0% YoY. ATV was up 3.6% QoQ/up 15.3% YoY to INR 5,329, driven by longer-tenure plans and price reset in some segments.

Management commentary

Management expects Q1FY27 billings growth in the high single-digits to low double-digit range, with double-digit revenue growth. PAT is guided to more than double YoY vs. Q1FY26. The improvement is expected to be driven by operating leverage, as long-tenure packages booked over the past year begin converting to revenue. Further, with marketing spends expected to remain broadly stable, significant margin expansion is anticipated.

Core matchmaking billing growth accelerated to 10.5% YoY in Q4FY26, driven by a 15.3% YoY increase in ATV. Management expects double-digits billing growth in the matchmaking segment to be sustainable in FY27.

Financial Summary

Y/E March (INR mn)	FY25A	FY26A	FY27E	FY28E
Net Revenue	4,558	4,600	5,115	5,556
EBITDA	583	516	705	798
EBITDA Margin (%)	12.8	11.2	13.8	14.4
Net Profit	453	342	484	572
EPS (INR)	20.6	15.8	23.4	27.7
EPS % Chg YoY	(7.6)	(22.2)	46.3	18.2
P/E (x)	21.7	27.9	19.0	16.1
EV/EBITDA (x)	13.6	14.7	9.5	7.6
RoCE (%)	7.7	7.9	12.1	12.2
RoE (%)	17.0	15.3	21.0	20.2

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Market Data

Market Cap (INR)	9bn
Market Cap (USD)	96mn
Bloomberg Code	MATRIM IN
Reuters Code	MATI BO
52-week Range (INR)	590 /363
Free Float (%)	45.0
ADTV-3M (mn) (USD)	0.2

Price Performance (%)	3m	6m	12m
Absolute	(13.8)	(11.3)	(12.6)
Relative to Sensex	(5.0)	(0.5)	(5.3)

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

13-02-2026: Q3FY26 results review

14-11-2025: Q2FY26 results review

On competition, Matrimony continues to hold market leadership in south India; the only major region where it does not lead is North India. The organised online matchmaking market is estimated at ~INR 10bn.

On new initiatives: 1) Many Jobs, the blue-collar job platform focused on Tamil Nadu, has crossed 1mn users and 10k companies; monetisation has commenced. Pan-India expansion would be evaluated after achieving specific revenue milestones. 2) Astro, the astrology platform, is being evaluated for its best monetisation model; a strategic investment has been made in an AI-based astrology startup. 3) The first Elite Matrimony physical centre was opened in Hyderabad, aimed at strengthening the premium personalised segment. 4) AI has been embedded across many core products, with management signalling further scaling across all business functions.

Wedding Services continued to be loss-making, with an EBITDA loss of INR 57mn in Q4 (vs. INR 32mn in Q3). Management is transitioning towards a commission-based model and considers break-even a long-term objective; current focus remains on achieving product-market fit.

The INR 585mn share buyback exercise was completed in Q4. Management reiterated a disciplined capital allocation stance and signalled potential for future shareholder returns through buybacks or dividends, subject to board and shareholder approvals.

Valuation

We upgrade from Add to BUY on the stock with an unchanged target price of INR 570, based on ~20x 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: Q4FY26 review

(in INR mn)	Q4FY26	Q3FY26	Q4FY25	QoQ (%)	YoY (%)	I-sec estimates	Var (%)
Net Sales	**1,168**	**1,132**	**1,083**	**3.2**	**7.9**	**1,104**	**5.8**
Total Expenses	**1,024**	**1,008**	**1,013**	**1.6**	**1.1**	**988**	**3.6**
EBITDA	**144**	**124**	**71**	**16.2**	**104.1**	**116**	**24.0**
EBITDA %	**12.4**	**11.0**	**6.5**	**138 bps**	**582 bps**	**10.5**	**181 bps**
Depreciation	65	67	70	**(2.7)**	**(8.1)**	66	**(2.0)**
EBIT	**80**	**58**	**0**	**38.0**		**50**	**57.9**
Finance Cost	11	12	11	**(5.0)**	**1.8**	12	**(5.0)**
Other income	51	61	113	**(17.2)**	**(55.1)**	62	**(18.2)**
Recurring pre-tax income	**119**	**107**	**102**	**11.2**	**16.6**	**101**	**18.4**
Taxation	22	24	20	**(8.9)**	**7.0**	25	**(14.0)**
Recurring Net Income	**98**	**83**	**82**	**16.9**	**18.9**	**76**	**29.1**
Reported Net Income	97.1	83.0	81.8	**17.0**	**18.7**	75	**29.5**

Source: Company data, I-Sec research

Exhibit 2: Shareholding pattern

%	Sep'25	Dec'25	Mar'26
Promoters	54.3	54.6	58.3
Institutional investors	29.7	29.4	26.6
MFs and others	3.0	3.0	3.1
FIIs	26.7	26.4	23.5
Others	16.0	16.0	15.1

Source: Bloomberg, I-Sec research

Exhibit 3: Price chart

Source: Bloomberg, I-Sec research

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Financial Summary

Exhibit 4: Profit & Loss

(INR mn, year ending March)

	FY25A	FY26A	FY27E	FY28E
Net Sales	4,558	4,600	5,115	5,556
Operating Expenses	**3,976**	**4,084**	**4,409**	**4,758**
EBITDA	583	516	705	798
EBITDA Margin (%)	**12.8**	**11.2**	**13.8**	**14.4**
Depreciation & Amortization	293	270	250	250
EBIT	290	246	455	548
Interest expenditure	48	47	48	48
Other Non-operating Income	337	237	210	230
Recurring PBT	579	436	617	730
Profit / (Loss) from Associates	**(1)**	**(3)**	**-**	**-**
Less: Taxes	**125**	**91**	**134**	**158**
PAT	454	345	484	572
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	-	-	-	-
Net Income (Reported)	453	342	484	572
Net Income (Adjusted)	**453**	**342**	**484**	**572**

Source Company data, I-Sec research

Exhibit 5: Balance sheet

(INR mn, year ending March)

	FY25A	FY26A	FY27E	FY28E
Total Current Assets	2,014	2,746	3,412	4,153
of which cash & cash eqv.	644	1,364	1,875	2,484
Total Current Liabilities & Provisions	1,654	1,972	2,168	2,355
Net Current Assets	**360**	**774**	**1,245**	**1,799**
Investments	1,221	671	671	671
Net Fixed Assets	654	633	633	633
ROU Assets	-	-	-	-
Capital Work-in-Progress	-	-	-	-
Total Intangible Assets	200	159	159	159
Other assets	-	-	-	-
Deferred Tax Assets	-	-	-	-
Total Assets	**2,952**	**2,432**	**2,955**	**3,530**
Liabilities				
Borrowings	**-**	**-**	**-**	**-**
Deferred Tax Liability	**-**	**-**	**-**	**-**
provisions	2	0	14	15
other Liabilities	-	3	28	30
Equity Share Capital	108	103	103	103
Reserves & Surplus	2,308	1,961	2,445	3,017
Total Net Worth	**2,416**	**2,065**	**2,548**	**3,120**
Minority Interest	-	-	-	-
Total Liabilities	**2,952**	**2,432**	**2,955**	**3,530**

Source Company data, I-Sec research

Exhibit 6: Quarterly trend

(INR mn, year ending March)

	Jun-25	Sep-25	Dec-25	Mar-26
Net Sales	1,153	1,146	1,132	1,168
% growth (YOY)	-4.4	-0.8	1.6	7.9
EBITDA	126	121	124	144
Margin %	10.9	10.6	11.0	12.4
Other Income	64	61	61	51
Net income	84	78	83	97

Source Company data, I-Sec research

Exhibit 7: Cashflow statement

(INR mn, year ending March)

	FY25A	FY26A	FY27E	FY28E
Operating Cashflow	**569**	**754**	**599**	**676**
Working Capital Changes	68	316	28	37
Capital Commitments	394	(602)	(250)	(250)
Free Cashflow	**962**	**153**	**349**	**426**
Other investing cashflow	**181**	**702**	**210**	**230**
Cashflow from Investing Activities	575	101	(40)	(20)
Issue of Share Capital	2	1	-	-
Interest Cost	-	-	(48)	(48)
Inc (Dec) in Borrowings	(199)	(200)	-	-
Dividend paid	(111)	(215)	-	-
Others	(734)	(594)	-	-
Cash flow from Financing Activities	(1,042)	(1,008)	(48)	(48)
Chg. in Cash & Bank balance	**101**	**(153)**	**511**	**608**
Closing cash & balance	182	29	1,875	2,484

Source Company data, I-Sec research

Exhibit 8: Key ratios

(Year ending March)

	FY25A	FY26A	FY27E	FY28E
Per Share Data (INR)				
Reported EPS	20.6	16.0	23.4	27.7
Adjusted EPS (Diluted)	20.6	15.8	23.4	27.7
Cash EPS	33.9	28.4	35.5	39.8
Dividend per share (DPS)	9.8	0	5.0	5.0
Book Value per share (BV)	109.8	95.8	123.3	151.0
Dividend Payout (%)	0.5	0.3	0.2	0.2
Growth (%)				
Net Sales	(5.3)	0.9	11.2	8.6
EBITDA	(19.2)	(11.5)	36.8	13.1
EPS (INR)	(7.6)	(22.2)	46.3	18.2
Valuation Ratios (x)				
P/E	21.7	27.9	19.0	16.1
P/CEPS	13.2	15.7	12.6	11.2
P/BV	4.1	4.7	3.6	3.0
EV / EBITDA	13.6	14.7	9.5	7.6
P / Sales	2.2	2.1	1.8	1.7
Dividend Yield (%)	2.2	0	1.1	1.1
Operating Ratios				
Gross Profit Margins (%)	-	-	-	-
EBITDA Margins (%)	12.8	11.2	13.8	14.4
Effective Tax Rate (%)	21.6	20.9	21.6	21.6
Net Profit Margins (%)	10.0	7.5	9.5	10.3
NWC / Total Assets (%)	12.2	31.8	42.1	50.9
Net Debt / Equity (x)	-	-	-	-
Net Debt / EBITDA (x)	-	-	-	-
Profitability Ratios				
RoCE (%)	7.7	7.9	12.1	12.2
RoE (%)	17.0	15.3	21.0	20.2
RoIC (%)	8.5	8.7	15.5	15.1
Fixed Asset Turnover (x)	5.8	6.2	6.9	7.5
Inventory Turnover Days	-	-	-	-
Receivables Days	0	1	1	1
Payables Days	51	59	59	59

Source Company data, I-Sec research

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