ADD (Downgrade from BUY)

CMP: **INR 610** Target Price: **INR 690 (INR 650)** ▲ 13%

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11 November 2026

India | Equity Research | Results Update

Matrimony.com

Internet

Seasonality aids revenue acceleration; strong volume growth, a bright spot

Matrimony (MATRI)'s revenue growth accelerated in Q2FY27 due to a 15–20-day advancing of the festive calendar this year (FY27). Billings growth was volume-led: paid subscriptions grew 26.6% YoY to 300k, helped by shorter-duration packages, while ATV declined 12.2% YoY. We think improving affordability of services is a notable step to bolster the medium-term growth outlook. EBITDA margin expanded ~1,200bps YoY on flattish marketing spends. Management guided for single-digit billings growth in Q3FY27 while revenue growth could remain in double digits. MATRI is acquiring additional 50% stake in Astro Vision (online astrology platform), raising overall holding to ~76%. Given the recent rally, we downgrade to **ADD** with a revised TP of INR 690. Improved visibility of growth or capital return to investors could trigger a further re-rating.

Q2FY27 performance review

In Q2FY27, MATRI's revenue was INR 1.3bn, up 3.3% QoQ/17.6% YoY. Revenue from matchmaking services (~99% of total revenue) was up 3.3% QoQ/17.9% YoY. EBITDA was up 14.7% QoQ/148.9% YoY to INR 301mn. EBITDA margin was 22.4%, up 222bps QoQ/1,179bps YoY; PAT was INR 207mn.

Matchmaking services' billings grew 10.9% YoY to INR 1.3bn and marriage services' billings declined 11.1% YoY to INR 8mn. Paid subscriptions (300k) grew 26.6% YoY. ATV was down 12.2% YoY to INR 4,313.

Management commentary

Management guides for double-digit YoY growth in matchmaking revenue in Q3FY27. Matchmaking billings growth is expected to slow to single digits YoY because *Shraddh* and *Navratri* fall in Q3 this year vs. Q2 last year. Management expects billings to catch up in Q4, seasonally a strong quarter.

PAT is expected to grow at triple digits YoY in Q3, reminiscent of Q1FY27 or slightly softer than Q2FY27 (~INR 190–200mn). Management expects FY27 revenue/PAT growth to be in double-digit/triple-digit. Paid subscriptions climbed 26.6% YoY to 302k, driven by shorter-duration (one-month) packages – offered to select customer cohorts, basis their spending capacity. The ~12% YoY decline in ATV reflects the shorter package mix. Management believes ~300k paid subscriptions per quarter is sustainable.

Financial Summary

Y/E March (INR mn)	FY25A	FY26A	FY27E	FY28E
Net Revenue	4,558	4,600	5,258	5,683
EBITDA	583	516	1,066	1,204
EBITDA Margin (%)	12.8	11.2	20.3	21.2
Net Profit	453	342	766	890
EPS (INR)	20.6	15.8	37.1	43.0
EPS % Chg YoY	(7.6)	(22.2)	131.7	16.1
P/E (x)	29.6	38.1	16.4	14.2
EV/EBITDA (x)	19.8	21.6	9.2	7.3
RoCE (%)	7.7	7.9	19.7	18.1
RoE (%)	17.0	15.3	31.3	27.2

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Market Data	
Market Cap (INR)	13bn
Market Cap (USD)	135mn
Bloomberg Code	MATRIM IN
Reuters Code	MATI BO
52-week Range (INR)	659 /363
Free Float (%)	42.0
ADTV-3M (mn) (USD)	0.3

Price Performance (%)	3m	6m	12m
Absolute	13.6	38.4	18.0
Relative to Sensex	8.8	30.7	20.3

ESG Score	2025	2026	Change
ESG score	69.0	67.5	(1.5)
Environment	41.2	37.9	(3.3)
Social	72.8	69.8	(3.0)
Governance	82.7	83.2	0.5

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

Source: SES ESG, I-sec research

Earnings Revisions (%)	FY27E	FY28E
Revenue	2.8	2.3
EBITDA	34.5	29.7
EPS	38.8	32.1

Previous Reports

12-08-2026: Q1FY27 results review

15-05-2026: Q4FY26 results review

Management said this is a segmentation strategy aimed at improving conversion rather than a discount. It added that cannibalisation of longer-duration plans has been limited, and that higher paid volumes could support renewals. The ~12% YoY decline in ATV reflects the shorter package mix. Management believes ~300k paid subscriptions per quarter is sustainable.

Matchmaking marketing spend (~INR 450mn per quarter) is expected to stay at similar levels and could decline slightly. Management said it has enough cushion in its marketing budget, and that competitive intensity has moderated, especially in North India. It does not expect a rise in competition to materially affect growth or margins, since most revenue comes from markets where MATRI is the leading player. Management expects margins to expand further with growth and aspires for EBITDA margins of 25%, and eventually 30%. Matchmaking growth could range from high single digits to double digits depending on execution.

The board has approved acquiring an additional 50% stake in Astro Vision FutureTech, subject to closing conditions and regulatory approvals. Astro Vision generates INR 180–200mn in annual revenue, with EBITDA near breakeven (losses of INR 10–20mn). More than 50% of its revenue comes from astrology consultations. Management envisages synergies from integrating its astrology services across MATRI's user base, and does not expect the acquisition to dilute margins.

MATRI launched regional versions of Luv.com: Premam (Kerala), Priyam (Tamil Nadu) and Premulu (Andhra Pradesh). Initial MoM traction has been encouraging, and the company plans to expand to other regional languages. MATRI has also received government approval for voluntary Aadhaar-based member verification, which it says makes it the only matrimonial platform with such approval. It plans to launch this in Q3. AI is being used for profile and photo validation, chatbots and call-quality analysis, which has helped keep employee costs flat YoY.

Wedding services has moved from a vendor subscription model (previously ~INR 10mn monthly run-rate, now scaled down to near zero) to a commission-led assisted wedding planning model, currently limited to Tamil Nadu. The segment posted an EBITDA loss of INR 43mn in Q2FY27, versus INR 38mn in Q1FY27. Management expects QoQ revenue growth from here and has no plans to exit the business.

The cash balance stood at INR 3.45bn, as of Sep'26. The board would decide on further buybacks once the one-year cooling-off period ends. Management does not see the need for significant capital in adjacent businesses, since they draw on the existing customer base. The effective tax rate was 24.1%, below the statutory 25.2%, due to lower-taxed Dubai income.

Valuation

We downgrade to **ADD**, from *Buy*, with revised target price of INR 690 (from INR 650), based on ~16x 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: Earnings revision

(INR mn)	FY27E			FY28E		
	Old	New	Diff(%)	Old	New	Diff(%)
Revenue	5,115	5,258	2.8	5,556	5,683	2.3
EBITDA	793	1,066	34.5	928	1,204	29.7
EBITDA Margin	15.5%	20.3%	477 bps	16.7%	21.2%	448 bps
PAT	552	766.3	38.8	674	889.8	32.1
EPS (INR)	26.7	37	38.7	32.6	43	32.0

Source: I-Sec research, Company data

Exhibit 2: Q2FY27 review

(in INR mn)	Q2FY27	Q1FY27	Q2FY26	QoQ (%)	YoY (%)	I-sec estimates	Var (%)
Net Sales	**1,348**	**1,305**	**1,146**	**3.3**	**17.6**	**1,315**	**2.5**
Total Expenses	1,046	1,042	1,025	0.4	2.1	1,047	(0.1)
EBITDA	**301**	**263**	**121**	**14.7**	**148.9**	**268**	**12.5**
EBITDA %	**22.4**	**20.1**	**10.6**	**222 bps**	**1179 bps**	**20.4**	**198 bps**
Depreciation	71	66	70	8.8	1.6	66	8.8
EBIT	**230**	**197**	**51**	**16.6**	**353.3**	**202**	**13.6**
Finance Cost	13	12	12	16.5	11.7	12	16.5
Other income	59	66	61	(10.4)	(4.1)	66	(10.4)
Recurring pre-tax income	**275**	**251**	**100**	**9.6**	**175.2**	**256**	**7.4**
Taxation	66	60	22	10.6	201.8	62	6.1
Recurring Net Income	**209**	**192**	**78**	**9.2**	**167.8**	**194**	**7.7**
Reported Net Income	**207.3**	**190.8**	**77.6**	**8.6**	**167.1**	**193**	**7.2**

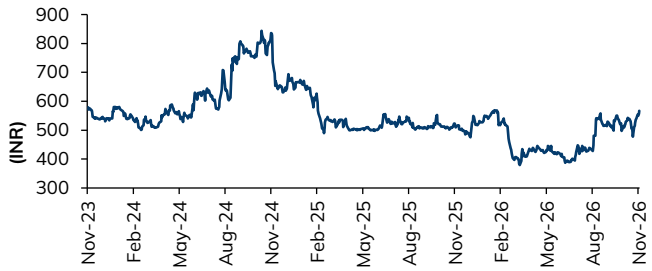
Source: I-Sec research, Company data

Exhibit 3: Shareholding pattern

%	Mar'26	Jun'26	Sep'26
Promoters	58.3	58.4	58.4
Institutional investors	26.6	24.4	24.1
MFs and others	3.1	5.2	4.7
FIIs	23.5	19.2	19.4
Others	15.1	17.2	17.5

Source: Bloomberg, I-Sec research

Exhibit 4: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 5: Profit & Loss

(INR mn, year ending March)

	FY25A	FY26A	FY27E	FY28E
Net Sales	**4,558**	**4,600**	**5,258**	**5,683**
Operating Expenses	3,976	4,084	4,192	4,479
EBITDA	**583**	**516**	**1,066**	**1,204**
EBITDA Margin (%)	12.8	11.2	20.3	21.2
Depreciation & Amortization	293	270	250	250
EBIT	290	246	816	954
Interest expenditure	48	47	48	48
Other Non-operating Income	337	237	210	230
Recurring PBT	**579**	**436**	**978**	**1,136**
Profit / (Loss) from Associates	**(1)**	**(3)**	**-**	**-**
Less: Taxes	125	91	212	246
PAT	454	345	766	890
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	-	-	-	-
Net Income (Reported)	**453**	**342**	**766**	**890**
Net Income (Adjusted)	**453**	**342**	**766**	**890**

Source Company data, I-Sec research

Exhibit 6: Balance sheet

(INR mn, year ending March)

	FY25A	FY26A	FY27E	FY28E
Total Current Assets	2,014	2,746	3,750	4,803
of which cash & cash eqv.	644	1,364	2,170	3,095
Total Current Liabilities & Provisions	1,654	1,972	2,228	2,409
Net Current Assets	**360**	**774**	**1,521**	**2,394**
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**	**3,239**	**4,132**
Liabilities				
Borrowings	**-**	**-**	**-**	**-**
Deferred Tax Liability	**-**	**-**	**-**	**-**
provisions	2	0	14	16
other Liabilities	-	3	29	31
Equity Share Capital	108	103	103	103
Reserves & Surplus	2,308	1,961	2,728	3,617
Total Net Worth	**2,416**	**2,065**	**2,831**	**3,721**
Minority Interest	-	-	-	-
Total Liabilities	**2,953**	**2,432**	**3,239**	**4,132**

Source Company data, I-Sec research

Exhibit 7: Cashflow statement

(INR mn, year ending March)

	FY25A	FY26A	FY27E	FY28E
Operating Cashflow	**569**	**754**	**894**	**993**
Working Capital Changes	68	316	40	35
Capital Commitments	394	(602)	(250)	(250)
Free Cashflow	**962**	**153**	**644**	**743**
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)**	**806**	**925**
Closing cash & balance	182	29	2,170	3,095

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	37.1	43.1
Adjusted EPS (Diluted)	20.6	15.8	37.1	43.0
Cash EPS	33.9	28.4	49.2	55.2
Dividend per share (DPS)	10.0	5.0	5.0	5.0
Book Value per share (BV)	109.8	95.8	137.0	180.0
Dividend Payout (%)	0.5	0.3	0.1	0.1
Growth (%)				
Net Sales	(5.3)	0.9	14.3	8.1
EBITDA	(19.2)	(11.5)	106.7	12.9
EPS (INR)	(7.6)	(22.2)	131.7	16.1
Valuation Ratios (x)				
P/E	29.6	38.1	16.4	14.2
P/CEPS	18.0	21.5	12.4	11.1
P/BV	5.6	6.4	4.5	3.4
EV / EBITDA	19.8	21.6	9.2	7.3
P / Sales	2.9	2.9	2.4	2.2
Dividend Yield (%)	1.6	0.8	0.8	0.8
Operating Ratios				
Gross Profit Margins (%)	-	-	-	-
EBITDA Margins (%)	12.8	11.2	20.3	21.2
Effective Tax Rate (%)	21.6	20.9	21.6	21.6
Net Profit Margins (%)	10.0	7.5	14.6	15.7
NWC / Total Assets (%)	12.2	31.8	47.0	57.9
Net Debt / Equity (x)	-	-	-	-
Net Debt / EBITDA (x)	-	-	-	-
Profitability Ratios				
RoCE (%)	7.7	7.9	19.7	18.1
RoE (%)	17.0	15.3	31.3	27.2
RoIC (%)	8.5	8.7	26.1	22.8
Fixed Asset Turnover (x)	5.8	6.2	7.1	7.7
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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