Date: August 15, 2024

1. **The Manager- Listing**
   National Stock Exchange of India Limited
   (Scrip Code: NAUKRI)

2. **The Manager- Listing**
   BSE Limited
   (Scrip Code: 532777)

Sub.: Transcript of Earnings Conference Call on financial results for the quarter ended June 30, 2024

Dear Sir/Madam,

In furtherance to our letter dated August 09, 2024 and pursuant to Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we wish to inform that the transcript of Earnings Conference call on the Financial Results for the Quarter ended June 30, 2024, held on Friday, August 09, 2024 at 5:30 pm (IST), post declaration of results, is enclosed herewith. The copy of the transcript is also available on the Company's website at https://www.infoedge.in/pdfs/financial_pdfs/f_Earnings/investor-concall-transcript-14aug24.pdf.

Request you to take the same on record.

Thanking you,

Yours faithfully,
For **Info Edge (India) Limited**

JAYA BHATIA
Digitally signed by JAYA BHATIA
Date: 2024.08.15 09:08:07 +05'30'

Jaya Bhatia
Company Secretary & Compliance Officer

Encl: as above

Corporate Office : B-8, Sector - 132, Noida - 201304, Tel.: 0120 - 3082000, Fax : 0120-3082095
EMAIL : *webmaster@naukri.com* URL : *http://www.infoedge.in* CIN No.: L74899DL1995PLC068021
Regd. Office : Ground Floor, 12A, 94, Meghdoot, Nehru Place, New Delhi-110019

“Info Edge (India) Limited Q1 FY25 Results Conference Call”

August 9, 2024

MANAGEMENT:

Mr. Sanjeev Bikhchandani – Founder & Vice Chairman,
Mr. Hitesh Oberoi – Co Promoter & Managing Director,
Mr. Chintan Thakkar – Director & CFO

Vineet Ranjan: Good evening, everyone. Welcome to InfoEdge (India) Limited Q1FY25 Earnings Conference Call. Joining us from management today, we have Mr. Sanjeev Bikhchandani, Promoter and Vice Chairman, Mr. Hitesh Oberoi, Co-promoter and Managing Director, and Mr. Chintan Thakkar, Director and CFO.
Before we begin, I would like to draw your attention to the detailed disclaimer, in the presentation, for good order sake. Kindly note that this conference is being recorded and all the participant lines will be in listen only mode and there will be an opportunity for Q&A after the presentation concludes. Now, I'll hand over the call to Mr. Hitesh Oberoi for his opening remarks. Thank you and over to you, Hitesh.

Hitesh Oberoi: Good evening, everyone. A big welcome to all of you for the InfoEdge earnings call for the first quarter of FY24-25. As always, we will start with an update on our standalone financial performance and then we will cover each segment's performance along with the commentary on each business. In the end, we'll have time for Q&A.

In Q1FY25, our standalone billings were Rs. 579 crores, a Y-o-Y growth of 11% and revenue was Rs. 639 crores, a Y-o-Y growth of 9%. Billings and revenue including Zwayam and DoSelect were Rs. 596 crores and Rs. 655 crores respectively, a Y-o-Y growth of 11% and 9%. Operating profits at a standalone level grew by 9% Y-o-Y to Rs. 227 crores, and the operating margin was 36%. The standalone business generated cash from operations of Rs. 174 crores in Q1 FY25, a Y-o-Y growth of 20%. The recruitment business continued to generate healthy cash. The cash losses in non-recruitment businesses reduced significantly by 73% from a cash loss of Rs. 61 crores in Q1FY24 to Rs. 17 crores in Q1FY25. EPS (before exceptional items) for Q1FY25 stood at Rs. 18, a Y-o-Y growth of 16%. The cash balance of InfoEdge (including wholly owned subsidiaries) at the end of June 24th stood at Rs. 4,255 crores, and the headcount as of June 24 end was 5,817.

Moving on to segment-wise performance and starting with the recruitment business.

In Q1FY25, recruitment billings grew by 9% to Rs. 431 crore, and revenue grew by 6% to Rs. 472 crore. Revenue growth lagged behind billing growth due to the slower billing growth observed in mid-FY24. Operating expenses rose by 19% Y-o-Y in Q1FY25, led by costs from IPL campaigns, as discussed in our previous call. We also continue to invest in our strategic business initiatives like AmbitionBox, JobHai, etc., which are aimed at driving long-term value creation in the recruitment business. Consequently, the operating profits were lower by 3% Y-o-Y to Rs. 255 crores and the operating profit margin was 54%. Cash generated from the recruitment operations was Rs. 190 crores. Spending some time on the operating highlights of the last quarter in the recruitment business. There was a slight improvement in Y-o-Y billings growth in Q1FY25 of 9% compared to a Y-o-Y growth of 7% in Q4, of last year. Growth momentum in the Non-IT segment continued, with billings growing at 14% year on year. This was largely driven by sectors such as healthcare and life sciences, infrastructure, transport, real estate and media & telecom. After a continuous decline in billings for four quarters in a row, the recruitment consultant segments we saw a slight improvement in billings with low single-digit billings growth. Billings growth in the IT segment also continued this quarter. Though the growth rate was actually moderated compared to the previous quarters and was in mid-single digits. Our niche and adjacent business verticals, including iimjobs, NaukriGulf, and Naukri Fast Forward also maintained healthy billings growth with Y-o-Y increases of 26%, 25%, and 29%, respectively. AmbitionBox and JobHai, which began monetization in the previous quarter, continued to grow and showed some improved performance in the quarter as well. These are relatively small businesses and will not move the needle in the short term, but are strategically important to us, over the next for the next 5-6 years. Employer branding offerings, across our portfolio, including Naukri, iimjobs, hirist and AmbitionBox have been well received by customers. We are further strengthening these offerings and focusing on increasing our market penetration. The recently launched career platform for students on campus is slowly gaining traction, with an increasing number of students signing up and utilizing our offerings to become more industry-ready. On the platform metrics side, our Naukri database now comprises over 100 million resumes, app installs stand at 14 million, and the average number of resumes added daily was 22,000, in Q1FY25. Lastly, as mentioned in the previous call, we will continue to monitor overall growth over the next 1 or 2 quarters. While, growth rates, particularly in it, are positive, the trends have not yet stabilized.

Moving over to the real estate segment. In 99acres, billing growth moderated to 10% to Rs. 81 crores, while revenue grew by 20% to Rs. 99 crores. Operating losses reduced by 39% to Rs. 14 crores and cash losses from operations were Rs. 19 crores, Y-o-Y reduction of 54%. In terms of broad industry trends, in the real estate segment, new project sales moderated in Q1. Overall new project sales in the top eight cities were flat sequentially in Q1 and up approximately 10% Y-o-Y. Sequential price increases appear to be tapering off in certain cities for both new projects and the resale segment. Unsold new project inventory levels remain at reasonably healthy levels in the top eight cities. As a result, developers continue to launch new projects at similar levels to Q4 in most cities. There was some uncertainty during the election period, which may smoothen out in subsequent quarters. For 99acres, billings growth in Q1 was driven by improvements in both the number of build customers and in the average billing per customer. Broker and channel partner billings grew faster than developer or builder billings. Our listing realization continued to increase Y-o-Y and Q-o-Q as well driven by successful premiumization through product upgrades. We continue to invest in gaining new users and further increasing our lead in brand recall. Overall traffic on the user side in 99acres grew by 23% Y-o-Y, driven by growth in new projects and resale traffic. Our daily active users on the app grew by 33% Y-o-Y in Q1. 99acres remains focused on investing in growing its user base, delivering a superior platform experience, and providing differentiated content to help users make informed real estate buying decisions.

Moving on to the Matrimonial business. In Jeevansathi, the momentum continued in billings growth. Billings grew by 35% to Rs. 25 crores, and revenue also grew by 35% to Rs. 26 crores. Operating expenses were reduced 25% Y-o-Y driven by a huge reduction in marketing costs which was down 45% Y-o-Y. Business is now nearing breakeven. Operating losses were reduced by 88% Y-o-Y to Rs. 2 crores. Cash loss was Rs. 4 crores, a Y-o-Y improvement of 79%. The business continues to focus on monetization. We made several features on the app free a couple of years ago and now we are back to focusing on monetization with new features launched in Q1, such as super interest and handpicked matches gaining good traction. Marketing expense rationalization continued with marketing costs down 45% Y-o-Y while maintaining growth momentum. Competition intensity remained similar to last year. There was no change on that front. Paid products launched a few quarters back following the free chat implementation, have been gaining traction as users see value in these offerings. Some gains in Q1 were also achieved through better realizations. Offering a high-quality matchmaking experience remains our core focus, and we plan to further invest in improving matching recommendations to improve user outcomes. Key metrics like acceptances and two-way chats on the platform continue to show healthy growth. The business will continue to launch new products in the coming quarters and try to offer different value propositions to different users. Some of these new products will feature exclusive new functionalities for paying users. The chat functionality will continue to remain free on the platform.

Moving on to the education business, Shiksha. In Q1FY25, billings grew by 25% to Rs. 42 crores while revenue grew by 18% to Rs. 42 crores. We made an operating profit of Rs. 4 crores last quarter versus a loss of Rs. 1 crore in the same quarter last year. Cash generation from operations grew to Rs. 7 crores versus Rs. 30 lacs in the same quarter of last year. In the Shiksha business, at a macro level, the emergence of new private universities in India presents an opportunity for Shiksha to expand its footprint. Shiksha makes most of its money from private colleges and universities and not from government colleges. We continue to invest in making our content more comprehensive and student-friendly and in building deep domain expertise in this space. Shiksha traffic share reached an all-time high of 51% in April of 2024. The study abroad business is a small part of the business and has been affected by the weak external environment. We remain committed to making long-term investments in strengthening our study abroad platform improving the productivity of our counseling team.

Moving on to the consolidated financial highlights for the company. At the consolidated level, the net sales for the company stood at Rs. 677 crores in Q1FY25 versus Rs. 626 crores in Q1FY24. The total comprehensive income stood at Rs. 3,583 crores in Q1FY25, compared to Rs. 3,002 crores in Q1FY24. Profit before tax without exceptional items in Q1FY25 was Rs. 329 crores compared to Rs. 217 crores in Q1FY24.

To summarize and reiterate our mid-term to long term outlook, we are truly excited about the growth opportunities across all our businesses. The IT-dependent segment of our recruitment business has been volatile, but it is recovering from the lows, with positive signs emerging in the last two quarters. The July 2024 Jobspeak report has also been very encouraging. The Jobspeak index grew by 12% Y-o-Y in July and M-o-M grew by 11%. Let's see how this plays out over the next couple of months. We have been expanding and strengthening our GCC and Non-IT segments by improving our go-to-market offerings and adding more clients, particularly by penetrating further in tier-2 and tier-3 cities. Our niche and adjacent businesses such as iimjobs, Naukri Fast Forward, AmbitionBox and JobHai have been delivering decent results and expanding the opportunities for future growth of the recruitment business. Our non-recruitment businesses are showing reasonably healthy growth and are all nearing or approaching break even. 99acres has established a strong value proposition and is on the right track to growing market share given the favorable market conditions, new improved offerings, and better realizations. Jeevansathi's shift to a freemium model has now started yielding results. We are accelerating top-line growth and reducing losses. Shiksha continues to grow well and is already profitable. We have also been making reasonably good progress in deploying AI and machine learning across all our businesses. As a result, we are seeing benefits in terms of higher user engagement on the platform and we are also trying to both boost both productivity and efficiency inside the company. A key strength in navigating these cycles, which we go through periodically as a business, has been our strong cash generation and our healthy cash balance. We continue to evaluate the best possible ways of deploying our cash to maximize shareholder returns.

Thank you, I'll stop here. And we are now ready to take any questions that you may have.

Vineet Ranjan: Thank you, Hitesh We will now begin the Question & Answer session. Anyone who wishes to ask a question, please raise your hand on the screen. We will take your name and announce your turn in the question queue.

Anand Bansal: The first question is from Vivekanand from Ambit Capital.

Vivekanand: The First Set of questions pertains to Naukri and recruitment. Could you explain to us how non-IT as a segment did? You've been expanding the presence of Naukri across tier 2 and 3 markets. On your Jobspeak also, you are disclosing a lot more number of cities. So clearly you are focused on tier 2 and 3 cities. Mostly these cities are non-IT-centric. So could you help us understand how non-IT is doing for you? What's the pricing proposition like for non-IT customers versus current billing trends for IT? How do you think about the scalability of non-IT billing?

Hitesh Oberoi: We've done a bunch of things over the last 3-4 quarters to accelerate our non-IT sales growth and also to improve the experience on the platform for both the non-IT job seekers and customers. We've opened new offices in existing cities. So cities for example in NCR where we used to have 3 offices earlier, now the cities have grown over time, so now we have 6 offices to service our customers better and to grow coverage. We have an office in Ghaziabad, we have an office in Faridabad. We have an office in Greater Noida, we have an office in Manesar. We were perhaps not covering these markets adequately earlier. Cities have grown over time. We also opened new offices in cities where we did not have offices earlier. Our goal is to get to 100 cities in a couple of years. We perhaps are already in more than 70 cities. And that's where we have a lot of non-IT growth because as these cities are growing they are creating jobs and IT is not everywhere. Many of these companies start small and it's important to get them onto the platform early. On the product side also, our IT Experience is always very good both on the job seeker side and on the customer side. We have been working very hard to improve our experience for non-IT users, job seekers, and recruiters. Harder problem than IT because there are so many industries, so many segments, different types of job seekers in the market. We've been trying to improve the experience segment by segment. We are looking at the bigger segments first and this is where we are deploying a lot of AI and machine learning to improve the experience. We do really well with the bigger customers, even in the Non-IT space. Now we are trying to make more inroads into the smaller SME space as well. The SME customer is very different from the enterprise customer. Often SME customers are small in size. They don't have HR departments, don't have a lot of time to go through our database and post jobs. We're trying to see how we can help them use the platform better. Also, we must understand that the Non-IT market was there was a supply overhang in this market because not much hiring happened during Covid, but a lot of people, hit the market looking for jobs. That supply is slowly getting absorbed. That overhang will hopefully go away with time. And if that happens and the economy continues to grow at 6 or 7%, then actually the non-IT, segment should grow even faster for us going forward. Our pricing in non-IT is more modest compared to IT because of the different hiring needs of customers of every company and IT companies hire in large numbers while here they don't hire that many people. But we have worked with many more companies. It's also more aggressive. So all in all, we are happy with the progress on the non-IT side.

Vivekanand: Great, This is helpful. Just one more on recruitment JobHai. It seems to have now expanded to around 60 cities and you seem to be getting a lot of traction in terms of number of job seekers on the portal. How should we think about the revenue contribution here? It seems like there is an explosion in the number of profiles that you are adding here. Year on year, I think you've expanded to so many new cities, so many new job seekers. I think you're doubling there. And perhaps from a low base, I understand. But, how to think about the monetization of this segment. You seem to clearly have critical mass.

Hitesh Oberoi: You're absolutely right. We've worked very hard on the product for the last three years. And we seem to have got product market fit. There's a lot of traction. We're getting a lot of job seekers, we're getting a lot of jobs. We're getting a lot of recruiters advertising on the platform. And it's a freemium model. So, anybody can actually post a job for free to start with. And it's mobile first, it's vernacular, and it's local. So it's a very different platform from Naukri targeted at very different user segment. Naukri today works with over 120,000 customers. If you do a good job, you may end up working with 200,000 - 250,000 customers in the next 5-6 years. On the other hand, if, JobHai has to be successful, then we would want JobHai to work with a million customers, 5-7 years from now. It should be the platform of choice for SMEs, as well, not just enterprises. And that's how we've been thinking about job here. We were not monetizing because we wanted to get the product-market fit right and when we started pressing the pedal on monetization only a few months back, and we are getting a reasonable response. We don't want to compromise on the freemium elements of JobHai. We don't want to force people to pay to list on JobHai. But we are launching more and more features, just like in Jeevansaathi, to see how we can monetize our heavy users better. But this is a 5-6 year play. This is not something which is going to move the needle on top line. It may move the needle on bottom line, but it may not move the needle on top line, for the next 2-3 years. Long term, it's a big opportunity, because the truth is the blue collar job market in terms of volumes is perhaps 4 or 5 or maybe 7 or 8 times the size of the white collar market. ARPUs will however be lower. Unit economics will have to be figured out with time. So we want this market to be as self-serve as possible. A lot of job seekers and a lot of bridges. And I wouldn't be surprised if in a couple of years we have more jobs or maybe even a year, we have more jobs on JobHai than a Naukri. And we get to start getting more daily registrations on jobs here than on Naukri. But that'd be a good problem to have.

Vivekanand: But you already do seem to have a lot more jobs there, right? If I look at the job listings number, the live jobs on Naukri are around 4 or 5 lakhs. Here you have, a million and a half or something. Correct me if I'm wrong.

Hitesh Oberoi: No, those may be vacancies, not listings. I was referring to listings. Somebody wants to hire delivery boys. They may want to hire 100, 200, 500. But I was referring to the number of job listings.

Vivekanand: Understood. Thank you Hitesh. Great answers! Very detailed, as usual. Thanks a lot and, Sanjeev, just, one question for you. We get to interact with you very frequently, so I'm taking the liberty to ask questions from the annual report as well. So this year, you invested in 20 more companies through the AIF, right? All three AIFs. And you seem to have pressed the pedal on capital deployment in FY24. And we are seeing that your investees seem to have had a very high interest from external stakeholders in terms of wanting to fund them. So how are you thinking about exits and monetization in the AIF? We saw recently that there was some transaction announced where Apex Digital came in. How to think about the exits here or is it too early and how to think about?

Sanjeev Bikhchandani: Little early. We have a 12+2 years fund. Past experience and evidence tells us that in India, if you go early stage, you have to be patient. Look at Zomato, we went in in 2010, Policybazaar, we went in 2008. We are still there and the big value has come in the last 3-4 years, which basically means if you exit in 7-8 years you need to be there for a long time before you really get the value. So which is why we have a 12 year fund, because most funds are of shorter duration than that. We deliberately went for 12+2 years. So it's a little early. This, our first fund, our first AIF was 2019. So if you start looking at getting your exits eight years or nine years out, then you're talking about 2027-28. Of course, there will be some exits. It may happen earlier. If something blows up, you will obviously exit earlier. If there is a great acquisition offer that comes along and the founder wants to take it, you can't really block that because you have to back the founder because you can't really run the company without the founder or the founders. And if you invest in a slightly later stage company, like we did with Ixigo, it goes public. Now we haven't exited, but we have the option to whenever we want. So we are patient. And we're not even thinking of exits right now, actually.

Vivekanand: Okay, great. That's very helpful. Thank you so much.

Anand Bansal: Thanks Vivek. The next question is from Nikhil Chaudhary from Nuvama.

Nikhil Chaudhary: Hitesh, first on recruitment side, while overall billing growth had been improving since last two quarters but underlying growth especially in IT has changed growth trajectory from double digit to now mid-single digit. Despite Q4, I suppose was on a high base year compared to Q1. Same kind of wild swing happened in Jobspeak as well. Right? June, we saw the dip. In July, very sharp upswing. So any color there, what's happening? What would be the trend going ahead?

Hitesh Oberoi: Difficult to say. Actually, April and May were good months. But, in June, we saw decline in jobs being posted on the platform. Probably as per our sales team, maybe it had to do with the uncertainty around the elections. But we can't be sure. I mean, July, we've seen a bounce back. Will it sustain, hard to say. Right now, as things stand, the sales team is more bullish than they were. It's all a function of what happened in the last month more than anything else. It's a wait and watch situation like we had said last time. There's a recession in the US now, according to some people, that may impact things in India. In the past, recessions have also been good in the medium term for IT companies because recessions lead to cost cuts. And, ultimately, more people get hired in India as a result. But we don't know how this is going to play out this time. So fingers crossed. In our company, at least I can tell you attrition has moved up a little bit. So that's worrying us. But, let's see if this sustains. It is hard to say what's going to happen.

Nikhil Chaudhary: Sure Hitesh, second on margin side that we have seen improvement in profitability especially on the non-recruitment side. And many of the businesses almost reaching breakeven. So just want to understand what's the strategy going ahead. We have reached some of the milestones which we targeted. Are we planning to increase the profitability further or we would like to invest back in the business?

Hitesh Oberoi: So, in Jeevansathi we are targeting breakeven this year. So we would like to get as close to breakeven as possible. At the same time, we're targeting high growth because we've started monetizing more aggressively.
We had gone free for a couple of years. We continue to be freemium. Chat is free but we have launched more features and more functionalities to help monetize better. So we would want to get as close to breakeven as possible this year in Jeevansathi. In Shiksha, can we continue to be profitable? The domestic business grew very well in Q1. Study abroad is struggling a little bit because of what we're seeing are happening around the world. So even in Shiksha, we would want to at least, target breakeven or make make some profit this year. But we would want to continue to invest in growing our platform and improving the quality, quantity and richness of the content on the platform. We are investing a lot more behind the app. We are, wherever possible, trying to use, generative AI and data science and machine learning to improve the experience. 99acres is little tricky. We had a great 5 or 6 quarters, but this quarter growth was a little lower than what we expected. And on deeper analysis, we realized that in certain markets we grew really well and in some markets we struggled. Now, again, anecdotally, what I can tell you, the business took a hit in June. Maybe again, it had to do with some uncertainty around the elections. And often when state governments change and all these things happen in real estate some of the projects get delayed. Approvals take longer as people adjust to the new environment. So, we would want 99acres to grow faster going forward. We are doing whatever we can and if that requires us to invest a lot more in the business, and if that means taking a loss of some more time, that's fine with us. We see this as a good opportunity in the long run.

Nikhil Chaudhary: Sure Hitesh. You have mentioned now the investment, in the non-recruitment side in the past, you have mentioned that FY25 will be here where you want to invest in recruitment side as well. So is it fair to assume that FY25 will be the year of investment where you know, the focus will be on growth, or maybe building the capability rather than profitability improvement.

Hitesh Oberoi: Even in recruitment, we will continue, we continue to invest in our JobHai business. We continue to invest behind the AmbitionBox platform. We continue to invest behind iimjob and hirist. Even our Naukri Gulf business has been doing well, We continue to invest in the business. Even though our business is growing slowly, we were on IPL in Q1. That's why our marketing spend went up in Naukri. We were out of media for a long time and it's never good to be out of media for a long time. Normally, slowdowns don't last for a very long time and business always bounces back. And, it's important to keep investing even when the market is slow because that's how you get share. That's, what our philosophy has been. We will continue to invest, like I said, because we are thinking more medium term and more long term. It's a huge opportunity and we would not want to slow down investing just because of a couple of bad quarters in any of our verticals, not just in Jobs.

Nikhil Chaudhary: Thank you so much. Just last one from my side. Just understanding, GreytHR transaction in more detail. By the way, GreytHR was a strategic transaction, right? And now we are letting, a private equity acquire it. So what's the thinking behind it?

Hitesh Oberoi: You're absolutely right. When we went into GreytHR, in our heads it was quasi strategic. But over time, we've realized that we would rather invest more in sourcing and recruitment and automation then in getting into an HR services play. So with in our heads, we turned a financial instead of strategic in GreytHR. Of course the company is doing very well. The founders are executing brilliantly and we see business will do well in the long run. Some of the early investors wanted to exit and that gave an opportunity for us to get another investor in. It's not as if the company needs a lot of money. The company is breaking even and growing well but some of the investors wanted to exit. Apex was very bullish on the company and they wanted to come in and we allowed them and the founders were very keen. We continue to be bullish and we continue to be investors in the company. And we're hoping that the company will perhaps IPO in a few years from now, if all goes well.

Nikhil Chaudhary: Sure.

Sanjeev Bikhchandani: If earlier investors want to exit, whether we buy them out or somebody else buys them out because they want to exit. And if we are no longer regarded as strategic as we thought earlier then do we want to commit more money to buy them out or let somebody else. That is the choice. And I think we've made this choice for reasons that it's no longer a strategic.

Nikhil Chaudhary: Understood. Thanks a lot. Good luck for coming period.

Anand Bansal: Thank you Nikhil. Next, we have Vivekanand from Ambit Capital, a follow up question.

Vivekanand: Thanks for the follow up opportunity. Hitesh, just extending previous participants question on investments in recruitment verticals. You had previously quantified around Rs. 20-25 crores per quarter investment. And even now, while answering my job query, you said that it will have a bottom line impact. So I presume negative impact. So, could you help us understand how much of a drag are these gestation projects costing? They're not monetizing to their potential currently. So how much loss are you absorbing in the P&L from some of these projects which are very long gestation.

Hitesh Oberoi: In the range, you said, Rs. 20-25 crores a quarter, around that much.

Vivekanand: Okay, so that's pretty similar despite revenue coming. Understood. Secondly, on 99acres, the competitive environment, like you said, there's some back and forth there. There are there are some aggressors. Plus you may have gained some market share. So how to think about the investments there? In your annual report, you didn't disclose the segment wise advertising this time last year. In FY23, you had. So just to understand, the ad spends here and how to think about the opex for 99acres. Revenue you addressed that quite well. I wanted to understand the opex on 99acres along with the ad spend and researched.

Hitesh Oberoi: How We are actually spending more than we spent last year. I don't know exactly how much. Right now, as we speak, we have a higher budget than we spent last year. On the other hand manpower costs, etc. are under control. So those are not growing, a lot. We are spending a lot more on advertising than we spent last year.

Vivekanand: So in that, in effect, you're saying that even if you see, let's say, a 20% revenue growth, it may not necessarily need lead to a very sharp reduction in losses. Is that how to infer it on 99acres?

Hitesh Oberoi: Yes, you're right.

Vivekanand: Okay, great, Thank you again. And all the best.

Anand Bansal: The next question from Swapnil.

Swapnil: I just wanted to understand the spends that you do did during the IPL if you can just quantify that and will we continue such spends going ahead? How often would that be?

Hitesh Oberoi: We will not be able to give you the numbers but IPL is once a year and Naukri had been out of media for a long time which is why we went aggressive on IPL in Q1. We don't intend to spend as much money. Q2 and Q3 is also normally a lean quarter for advertising. In general, we will spend a lot more on advertising this year than we spent last year on Naukri.

Swapnil: If I can just probe you a bit more on that. So on QoQ basis, Naukri spends seem to have grown around Rs. 22 crores. I would presume a majority of that would be related to marketing?

Hitesh Oberoi: Yes, because of IPL.

Swapnil: Because of IPL! Yes.

Hitesh Oberoi: A lot of it is because of IPL, right.

Swapnil: And the second question is with respect to your 99acres business. We have seen your revenue growth coming mainly from the broker segment off late. The revenue growth from the developer segment seems to be declining quite a bit. Any, color on that as to what would drive that growth going ahead if at all. And if that is not going to happen would it not be fair enough for us to invest on the B2C side directly going to the customer and try to monetize that even more than what we are doing right now?

Hitesh Oberoi: So two points. One, the market is also moving more and more towards channel partners. So on the resale side, all our revenue comes from brokers. There are no developers there. On the new home and new launch side of things, in the primary in the primary market, we make money from both channel partners and developers. Our sense of the market also is that it's moving more and more towards channel partners. So there are more channel partners. And earlier, more and more homes are being sold through channel partners. In the north, for example, in NCR, maybe 90% of all homes are sold through channel partners. In a city like Bangalore, maybe 40-50% of all homes are sold through channel partners. But the share of channel partners in home sales is increasing in every city with every passing year. And that's showing in our numbers as well. To some extent, we believe our platform also delivers better for channel partners than for developers. And we are trying to see how we can fix that. We may have to launch some offerings which work better for developers. Maybe the pricing is also a little off on that front. And we're trying to see how we can fix that. So, long term, our sense is, if we were to fast forward five years, most homes in the country would be sold through channel partners and not directly by builders, especially in the affordable segment. And, those kind of segments and especially when it is a regular market. In a hot market, anything can happen. Developers don't even need us. They don't need channel partners to sell. You may have heard of DLF launching everything getting sold in two days. Nobody's required, if that is the case. But in a regular market, it's more and more transactions are likely to happen through channel partners than through direct developer sales teams over time. That's our sense.

Swapnil: Right and on the B2C part, any plans to, go aggressive on that side?

Hitesh Oberoi: monetizing owners? You mean, and buyers?

Swapnil: Yeah, both.

Hitesh Oberoi: We don't intend to monetize buyers. That's not in our plan. We have some offerings for owners. Any owner can list their property for free on 99acres. We offer some value added services and a small percentage of owners avail of those services. About, maybe 7%-8% of our revenue is from owners in 99acres.

Swapnil: But by any chance, do you want to increase that share if, if the developer share is not growing?

Hitesh Oberoi: We would want to grow our revenue from owners. But it's not a very big part of our strategy. We would rather grow our revenue from brokers, channel partners and developers first.

Swapnil: Got it, Thanks a lot.

Anand Bansal: The next question is from Jalaj Manocha from Savan Investment.

Jalaj Manocha: Hitesh, this was a question for you. So has there been a material change in the outlook for it hiring from the last quarter, per se?

Hitesh Oberoi: Yeah, the July jobspeak was very positive. And, all I can say is that some of our clients have renewed and upgraded. But, whether this will sustain or not, I don't know. We should wait and watch for maybe another 3-4 months.

Jalaj Manocha: Okay. And this upgradation you are talking about for the IT clients only.

Hitesh Oberoi: Yeah. I was referring to it some large IT clients and like I said, from our consultant hiring recruitment we get about 27-28% of our revenue. And they were, negative for at least four quarters. We saw a slight improvement there. They moved into positive territory. A lot of these recruitment firms also work for IT customers. Let's see whether this sustains. I don't know what you are seeing. IT companies may be telling you whether their attrition rates are going up or not.

Jalaj Manocha: So from our IT companies, what we understand is the utilizations are starting to peak out right now. Though the attrition numbers to be moving on the downward trend. So just wanted to understand if that is, just occurring for you guys.

Hitesh Oberoi: Yeah, what I said last time as well that a lot of these IT companies had overhired during good times and they had built a big bench and as a result their utilization rates had fallen. Because they did not hire for a long time they're now back to pre-COVID utilization levels in most cases. And therefore, if they have to maintain headcount, they will now at least have to replace the people who are leaving. So at least that part of the market should come back now. Are they going to be hiring for growth? I don't know. Are they going to grow headcount aggressively from here on? I don't know. Will attrition rates go up? I don't know. I can also tell you that GCCs have started hiring. So some of the larger GCCs had shut down hiring and the smaller ones were hiring but they were they were small. So the larger ones had stopped hiring. Now there are some green shoots there as well. Some of the larger GCCs have started hiring in small numbers. Let's see how this plays out. Once they if they start hiring in large numbers then that may lead to higher attrition in IT services companies as well. But let's wait and watch and see what happens.

Jalaj Manocha: Understood, Thanks a lot.

Anand Bansal: Abhishek Banerjee from ICICI securities.

Abhishek: Just one question. You just mentioned that the captives are starting to hire now. Last time you had said that captives, when they just formed, you do not get any revenues from them. But after a year they also start contributing to your revenues. So given that the number of captives have gone up quite a bit in the last one year. Do you see the revenue contribution from that increasing going ahead?

Hitesh Oberoi: Even here, there's an 80-20 principle at work. There may be 7000-8000 captives. But the bulk of our revenue comes with the big ones. The big ones are maybe 100 in number. And most of them had sort of frozen hiring because of what was happening in the US and so on. Now, if they start hiring in large numbers, then of course, you will see, we will benefit immensely. The smaller ones, of course, I said last time in year one they may just hire 50 people. They don't need anybody. They go through recruitment firms and hire because they need to hire senior management and middle management. But once they start hitting 200-300 headcount, they have attrition. They need to replace people and they need to hire for growth. And that's when they you start using platforms like Naukri. So that will continue. And yes, over time, as a number of captives which have a headcount of more than 200-300 in the country start growing, it'll also help us. But for the needle to move, the big ones have to start hiring. And we are seeing early signs of that. But let's see if that sustains.

Abhishek: Understood. In the matrimonial business, if you could give some thought process on what is happening there and is there any likelihood of the revenue growth to starting to look up?

Hitesh Oberoi: The revenue growth is 35% right now for us. And we want to sustain this kind of growth for at least two more quarters. At the same time, reduce our costs, so that we can get to break even for the year or near breakeven, maybe plus minus Rs. 8-10 crores. That's our internal goal. And that's what we are focused on right now. As far as the overall recruitment market is concerned, I really don't know much. Maybe it's it continues to grow at 7% or 8% or 10% per annum like it has for many years.

Abhishek: When I asked about revenue growth, I meant beyond the number which used to do before you decided to discount on the pricing. **D**o you see yourself breaching that level anytime?

Hitesh Oberoi: If we continue to grow at 35% for the next couple of quarters then for the year as a whole we'll cross Rs. 100 crores And I think we were around this number, I don't remember the exact number, but perhaps around this number two years ago. I remember our billings were hit by 30% when we moved to this model. So we perhaps will inch back to where we were 2 years ago but with much lower marketing spend. Therefore, improved profitability and higher share of overall matches since the number of people on the platform have grown. So let's see, I mean and now the real test will be the year after this. How fast are we able to grow once we get to the Rs. 100-110 crores sort of top line and after that will we start growing at 10% or will we grow at 20% or 30%? Let's see what happens.

Abhishek: Understood and are you looking at monetizing the New Age products which you have developed in that front?

Hitesh Oberoi: The dating platform. No, we are sort of still learning and we are bullish on 1 or 2 products. But early days, a lot of work to be done on as far as those platforms grow. But of course, there is a long term opportunity for us.

Abhishek: Any update on the Google issue with regards to how much they are charging you for in-app billings

Hitesh Oberoi: There are no further updates. I mean, all is okay on that front right now. Nothing to worry about at this point in time.

Abhishek: Got it. Thank you so much.

Anand Bansal : There is a question from Nitin Jain.

Nitin : Thank you for the opportunity. So first of all, congrats on the good quarter. So I have a little long term question on the 99acres business. Given that the real estate cycle has turned for good for quite some time now, but we are not yet in the mode of reporting operating profits. Although we have consistently reduced losses there. So my question is what would we need to do to take the business to a level where it reports profit on a consistent basis like whether we need pricing changes or strategic changes or product changes. If you can throw some light on that. And my second question is for Sanjeev given that some of the investments, especially Zomato, and Policybazaar. Their stocks have done pretty well in the last few years. We've been invested there for a long time as well. Would you be evaluating whether we can book at least a partial profit and pay out as a special dividend or something along those lines. Thank you.

Hitesh Oberoi: All right, To answer the question on 99acres, the short answer is that we need to gain more share. We are very strong in some cities. In some cities, we need to work harder. In the end, revenue is a function of supply share and traffic share on the platform and which translates into higher pricing and therefore more profit. We are working on the product and we're working on improving the experience on the platform. We are trying to fix our pricing wherever it needs to be fixed and we are working hard to get more and more supply on the platform. So that becomes a one stop shop for all things in real estate. And at the same time, we also lead in the new home segment. We actually are not competing with the real estate portals. We end up competing with Facebook and Google and there we need superior offerings to get people to engage with the platform a lot more. And these are things we are working on. But, let's see how this plays out.

Sanjeev Bikhchandani: On Zomato and Policybazaar shareholding. Look, this is obviously constantly discussed at the board, but we have taken a slightly longer term view that where will these businesses be three years from now, five years from now, ten years from now. And if we believe there is substantial growth and consequent value creation left. We think it's better in our and we think it's better for our long term value creation for our shareholders. We'll probably stay but yeah, this is constantly discussed. As of now, there is no plan to exit.

Nitin: Thank you.

Anand Bansal: Thank you Nitin. Any other question, you may kindly raise your hands now. So Vineet there are no more questions for the day.

Vineet Ranjan: Yeah. Thank you everyone, We may now conclude this call. Thank you for joining in. You may now disconnect the lines.

Hitesh Oberoi: Thank you all and have a great evening.

Sanjeev Bikhchandani: Thank you so much. Bye.

Anand Bansal: Thanks, everyone.