Info Edge (India) Limited
Chairman's Speech

Dear Shareholder,

I welcome you to the 23rd ANNUAL GENERAL MEETING of the Company.

In the dynamic internet based business services space where we operate, it is imperative to consciously anticipate and adopt to rapidly changing customer preferences and business dynamics. At Info Edge, we have delivered on this challenge and established our leadership in the different markets where we operate by adopting a business ethos that focuses on constant innovation. This has translated into our ability to re-craft and fine tune offerings to delight the fast changing needs of customers and to take on competition.

In the process of ceaselessly innovating and transforming our businesses, we have never taken our eyes off the fundamentals that generate higher revenues and profits, thus increasing shareholder value over time. Continuous change backed by sound business practices, attention to strategic investments and profits, and a transparently ethical way of running our enterprise — these have defined our twenty-three year old journey since 1995.

Being firmly rooted to this ethos, the Company crossed the total income figure of Rs.10 billion for the first time in FY2018. This was achieved by nurturing and developing the Company's brands, generating adequate returns and strategically ploughing these back into the brands for establishing further market leadership.

Today, our flagship brand, naukri.com, is the clear leader in India, and this leadership positioning is the key to its success and growth. Being the recognised market leader by a wide margin, naukri.com benefits from a virtuous circle: maximum traffic that results in most responses, which attracts the most clients leading to the largest number of job postings, which propels the next round of increased customer traffic.

Our online real estate business — 99acres.com — is also a market leader. It is further strengthening its leadership position to reach a point where it creates its own virtuous cycle of growth driven by market leadership: one that gets the most real estate listings, gets the most traffic, gets the most responses, thus generating more clients and takes the site to a higher level of listings. Two of our other brands — jeevansathi.com (online matrimonial) and shiksha.com (online education information services) — are also fast gaining traction in their niche markets.

Among our investee companies, zomato.com, policybazaar.com, meritnation.com and happilyunmarried.com are market leaders with largest shares of internet and mobile traffic, in line with Info Edge's overall strategy of focusing on superior market leadership.

This superior market leadership has clearly translated into steady growth in financial parameters over a considerable period of time. Let me touch upon the financials. Here are some facts:

- The Company's valuation in terms of market capitalisation crossed the Rs.150 billion mark during the year.
- Despite continuously investing in people, brands and technologies across businesses, Info Edge maintained a strong cash reserve of Rs.15.6 billion as on 31st March 2018.
- Net sales of the company was Rs.9154.91 million in FY2018, a growth of 14.1% over FY2017.
- Operating EBITDA increased by 30.7% to Rs.2973.15 million. The operating EBITDA margin improved from 28.4% in FY2017 to 32.5% in FY2018.
- Cash flow from Operations before tax stands at Rs.4327.01 million in FY2018, a growth of 36.6% over FY2017.
- PAT was Rs.1823.67 million in FY2018.

In terms of consolidated level financial performance, net sales of the company was Rs.9,882 million in FY2018, a growth of 11.3% growth over FY2017. Operating EBIDTA increased by 45.7% to Rs.2,582 million. The EBIDTA margin improved from 20% in FY2017 to 26% in FY2018, while consolidated PAT was Rs.5,131 million in FY2018.

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Today, our challenge is to be well ahead of the curve in terms of our offerings — which can only be done by serious use of the newest technologies and transforming many of these into cutting edge apps. Today, Info Edge is deep into AI, big data, machine learning, semantic search for analysing CVs and the cloud. In Info Edge, the emphasis on smart technology is greater than ever before, and it will be even greater with every passing year. These cutting edge initiatives are transforming our feet-on- street client interactions to more technology driven client support. And there will be more to follow.

Machine learning is central to understanding the data and the behaviour that consumers create on our sites. These algorithms have helped us understand the semantics of important data types such as companies, institutes, designations and skills – thus enabling us to go beyond keywords to real meaning of these terms. This enables us to provide a personalised semantic experience to users when they use the search and recommendation systems. While Digital Transformation was the key to most successful businesses in the last decade, the coming decade is around AI Transformation. Though data is at the core of AI transformation, which is the advantage of InfoEdge businesses, the differentiator will not come just from using it for business, but from using it in the most intelligent manner.

An example of such technologically-driven transformation is the Recruitment Management System (RMS) on naukri.com. RMS provides access to companies that want to hire and Human Resource consultants.

Another example is the match-making algorithms that are driving jeevansathi.com. These sit in the background and continuously interact with the mobile app used by over 90% of jeevansathi.com users — making the app the best in the category.

The Companies where we have invested continued to move in the right direction. Zomato.com is the largest online restaurant search and discovery platform in India, UAE and other markets. In addition, it has introduced a food ordering service, which is operational mainly in India and UAE. Today, there is 1.3 million restaurants listing across the world on Zomato.com platform. In March 2018 alone, it processed some 5.5 million orders. PolicyBazaar.com is India's online price comparison site for insurance. It is a clear leader in its category garnering an estimated 95% share of insurance comparison activity and 50% of online insurance transactions. We believe that there is huge potential in this business, and have made additional investments in FY2018.

We have also made investments in four new start-ups during FY2018. These are: (i) Wishbook, which is a B2B cataloguing app and marketplace connecting manufacturers, distributors, wholesalers, retailers, and sellers; (ii) Univariety, a career and university admission counselling platform for Class 9 to Class 12 students; (iii) NoPaperForms, which is a SaaS based government solution for educational institutions; and (iv) Gramophone, which offers agricultural crop advisory for farmers.

For your company, CSR means the integration of social, environmental and economic concerns in its business operations. CSR involves operating Company's business in a manner that meets or exceeds the ethical, legal, commercial and public expectations that society has of businesses. Accordingly, your company demonstrates care for the community through its focus on education, support to the disadvantaged and marginalized section, sports, environment and society as such. With this idea of shared growth, your company continued its focus primarily in the field of education in this reporting year as well.

As internet and mobile penetration continue to increase in India, Info Edge is well positioned to leverage many of the opportunities arising out a more digitally connected Indian economy. We can do so because of our deep knowledge base of, and on-ground experience with, our customers. We can do so because of our investments in technology and the best-in-class tech-savvy people. We can do so by leveraging our leading positions across many of our businesses. And we can do so because we have deep pockets.
Therefore, I remain confident of our future and urge you to share in this optimism.

Thank You
Kapil Kapoor