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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 Q2 FY24-25 Earnings Conference call. Joining us from management today, we have Mr. Sanjeev Bikhchandani, Founder & Vice Chairman, Mr. Hitesh Oberoi, Co-Promoter & Managing Director, and Mr. Chintan Thakkar, Director & CFO. Before we begin, I would like to draw your attention towards the detailed disclaimer included in the presentation for good order sake. Kindly note that the conference is being recorded and all participant lines will be in listen-only mode. There will be an opportunity for Q&A after the presentation concludes. Now, I will hand over the call to Mr. Hitesh Oberoi for his opening remarks. Thank you, and over to you, Hitesh.

Hitesh Oberoi: Very good evening, everyone. Welcome to the InfoEdge earnings call for the second quarter of FY25. We will start with an update on the standalone financial performance, and then we'll cover segment-wise performance, along with a commentary on every business, and followed by Q&A.

For the standalone business in Q2 of FY25, billings were Rs. 650 crores, a YOY growth of 14% and revenue was Rs. 656 crores, a YOY growth of 11%. Billings and revenue, including Zwayam and DoSelect, were Rs. 671 crores and Rs. 676 crores, a YOY growth of 15% and 12% respectively. Operating profits at a standalone level grew by 15% year-on-year to Rs. 251 crores, and the operating margin expanded by 137 basis points to 38%. The standalone business generated cash from operations of Rs. 262 crores in Q2 of FY25, a YOY growth of 5%.

The operating profits and other income was higher in Q2 of FY25 versus Q2 of FY24. However, the net profit after taxes for the period decreased to Rs. 86 crores in Q2 of FY25 as compared to Rs. 209 crores in Q2 of FY24 for the following reasons. As per the change in the Finance Act 2025, as introduced in the recent budget, there was a hike in the effective long-term capital gains tax rate from 11.4% to 14.3%. Due to the above and in-line with IND AS accounting standards, we have accounted for an additional deferred tax charge pertaining to previous years of Rs. 260 crores in the P&L, which led to reduced net profits after taxes. On similar lines, we have also accounted for Rs. 363 crores as additional deferred tax charges pertaining to previous years in other comprehensive income. Without this deferred tax charge impact pertaining to previous years, our net profits improved by 66% year-on-year to Rs. 346 crores in Q2 of FY25.

In H1 of FY25, for the standalone business, billings were Rs. 1230 crores, a YOY growth of 13% and revenue was Rs. 1295 crores, a YOY growth of 10%. Operating profits grew by 12% year-on-year to Rs. 478 crores and operating margin expanded by 61 basis points to 37%. The standalone business generated cash from operations of Rs. 436 crores in H1 of FY25, a YOY growth of 10%. The recruitment business generated a healthy cash of Rs. 479 crores in H1 of FY25 and the cash losses in the non-recruitment business reduced by 57% from a cash loss of Rs. 76 crores in H1 of FY24 to Rs. 33 crores in H1 of FY25. EPS before exceptional items and deferred taxes for earlier years, for Q2 of FY25 stood at Rs. 20, a YOY growth of 21% and was Rs. 38 in H1 of FY25, a YOY growth of 19%. The cash balance of InfoEdge including the wholly owned subsidiaries at the end of September 2024 stood at Rs. 4,268 crores. The board has proposed an interim dividend of Rs. 12 per share and the headcount of the company as on September 24 end was Rs. 5,820.

Moving on to segment-wise performance, we'll start with the recruitment business. In Q2 of FY25, billings grew by 14% to Rs. 492 crores and revenue grew by 9% to Rs. 495 crores. Revenue growth lagged behind billing growth due to the slower billings observed over the last two or three quarters. The operating profits improved by 6% year-on-year to Rs. 286 crores and the operating profit margin was 58%. Cash generated from recruitment operations was Rs. 289 crores, a YOY growth of 8%. In H1 of FY25, for the recruitment business, billings grew by 11% to Rs. 923 crores and revenue grew by 7%

to Rs. 966 crores. The operating profit improved by 1% year-on-year to Rs. 540 crores and the operating profit margin was 56%. Cash generated from recruitment operations was Rs. 479 crores. In our recruitment business, we saw very encouraging growth in Q2 with a 14% year-on-year increase in billings, a double-digit growth after five quarters. The growth has been widespread. Our IT segment grew by 12%, non-IT by 20% and the recruitment consultant segment by about 10%. Key non-IT sectors like BFSI, healthcare, infrastructure and manufacturing also saw robust double-digit growth. The job speak index for Q2 of FY25 was better both on a YOY and a QOQ basis. The billings growth of 14% was an outcome of a slightly better macro environment as evident in the job speak index and continued healthy performance of our niche and adjacent businesses. On the job seeker side, our Naukri platform now hosts around 103 million resumes and app installs have reached 16 million. We added an average of 24,500 resumes every day in Q2 of FY25, highlighting steady user engagement across the platform. On the recruiter side, metrics like searches and CV views are also on the rise suggesting that demand for talent is recovering. Our niche and adjacent businesses such as IIMJobs, Naukri Gulf and Naukri Fast Forward have all shown good growth in Q2 of FY25 with year-on-year billings up by 40%, 18% and 27% respectively. Zwayam and DoSelect combined also registered a billings growth of 73% on a YOY basis. Ambition Box and Job Hai which began monetization in Q4 of FY24 continued to grow and show improved performance in this quarter as well. Although still small, these businesses hold potential and could grow substantially over the next four or five years. Our Employer Branding Solutions business, offered across platforms like Naukri, IIM Jobs, Hirist and Ambition Box have been well received by our clients. We've been working on, we are working on strengthening these offerings and expanding our penetration of the market. To sum up, we saw good growth in the recruitment business especially in the IT sector coupled with healthy performance across our niche and adjacent businesses. We are hopeful that this positive trend will continue into the coming quarters.

Moving over to the real estate segment, in Q2 of FY25, billings were up 16% to Rs. 107 crores and revenue grew by 17% to Rs. 102 crores. Operating losses reduced by 14% to Rs. 14 crores. Cash losses from operations were Rs. 3 crores. In H1 of FY25, billings growth improved by 14% to Rs. 188 crores and revenue grew by 18% to Rs. 201 crores. Operating losses reduced by 29% to Rs. 28 crores. Cash losses from operations were Rs. 22 crores versus Rs. 35 crores in H1 of FY24. For 99acres, Q2 billing growth was driven by increases in both the number of billed customers and the average billing per customer. We saw broker billings grow at a faster pace than developer billings. Live listings for new projects grew 8% year on year while live resale and rental listings saw an increase of 9% in Q2. Our per listing realization among primary and secondary brokers rose year on year in Q2 led by premiumization of our offerings and product upgrades and selective price increases implemented earlier. In 99 acres, our focus remains on growing our user base, enhancing the platform experience, and delivering differentiated content that helps users make informed real estate decisions.

Moving over to the matrimony business, in Q2 of FY25, the growth momentum continued. Billings grew by 31% to Rs. 26 crores and revenue grew by 33% to Rs. 26 crores. Operating expenses were reduced by 27% year on year driven by a reduction in marketing costs by 36% year on year. The business is near break-even. Operating losses were reduced by 96% to Rs. 70 lakhs. Cash losses were Rs. 2 crores, a YOY improvement of 88%. In H1 of FY25, in the matrimony business, billings grew by 33%, to Rs. 51 crores, and revenue also grew by 34%, to Rs. 52 crores. Operating losses were reduced by 92% to Rs. 3 crores, and the cash loss was Rs. 6 crores, a YOY improvement of 83%. Our business teams have continued to focus on improving monetization efforts to grow billings. Most of these initiatives are designed to add value for users on the platform while fully maintaining our commitment to a free chat experience. On the marketing front, the team has launched some campaigns to boost brand awareness and reinforce our free chat promise. We've been very frugal with our approach, reducing marketing spends by 36% year on year this quarter. Delivering a high-quality matchmaking experience remains a core priority. We are planning further investments to enhance our matchmaking recommendations, improving outcomes for our users. Key metrics like acceptances and two-way chats on the platform continue to show healthy growth. We are also working on expanding monetization opportunities on the platform while actively driving user acquisition as well.

Moving on to the Shiksha business, in Q2 of FY25, billing was Rs. 25 crores, a YOY de-growth of 3%, and revenue grew by 10% to Rs. 33 crores. Operating loss was Rs. 3 crores, and cash losses were Rs. 11 crores. In H1 of FY25 for Shiksha, billing was Rs. 66 crores, a YOY de-growth of 13%, and revenue grew by 14% to Rs.75 crores. The business generated an operating profit of Rs. 1 crore, and cash losses were Rs. 5 crores. A year-on-year reduction of cash loss by 9%. The campus placement season for FY25 for graduates has begun on a positive note compared to last year. There is a slight increase in demand for both MBA and computer science programs. Private universities are continuing to broaden their offerings beyond engineering, providing students with more diverse options to choose from. We are investing in making our content even more comprehensive and student-friendly while building deep domain expertise in this space. Shiksha's traffic share reached an all-time high of 56% as of September 2024. The domestic Shiksha business grew by 21% on a year-on-year basis in H1 of FY25. On the study abroad business, though we are seeing some headwinds, tighter restrictions for international students in Australia and Canada, along with fewer job opportunities post-study, have led to a decline in interest. Despite these challenges, we remain committed to making long-term investments to strengthen our study abroad platform and improve the productivity of our counselling team.

I would now like to talk a little bit about AI-driven innovation at InfoEdge. Today we have a dedicated team of over 100 data scientists and machine learning engineers at InfoEdge. We have been using machine learning to enhance our search, our matching, our personalization capabilities, and recommendation systems across all our businesses to improve user productivity and experience. In many of the cases, this has led to our 10-20-25% gain in efficiency. And with the latest in generative AI, we are now using LLM models to develop new features, build new products, and increase productivity across the board. Let me just give you a few examples. For job seekers now, we have an AI-powered mock interview product on Naukri 360 that helps them prepare for interviews. It is being used by 10 lakh users every month. In the Naukri fast-forward business, we have largely automated resume creation using AI, and our AI engine can generate a customized cover letter based on the uploaded resume. These features are now being used by over 15 lakh users every month. At Zwayam, AI helps create job descriptions and analyze candidate profiles, which improves recruiter productivity. In DoSelect, AI helps us generate multiple-choice questions for e-assessments. These are just a few examples. At InfoEdge today, there are over 500 models across AI and machine learning that are driving new products, features, and enhancements that are helping us deliver more value to our users and our customers every day.

Moving on to the consolidated financial highlights. At the consolidated levels, the net sales for the company stood at Rs. 701 crores in Q2 of FY25 versus Rs. 626 crores for Q2 of FY24. At the consolidated entity level, the total comprehensive income stand at Rs. 8,170 crores in Q2 of FY25 compared to Rs. 3,399 crores in Q2 of FY24. Profit before tax without exceptional items in Q2 of FY24 was Rs. 335 crores. Profit before tax without exceptional items in Q2 of FY25 was Rs. 335 crores compared to Rs. 262 crores in Q2 of FY24.

To summarize, we are truly excited about the growth opportunities across all our businesses. After several quarters of soft demand, our recruitment business is now performing well with growth across all segments, IT, non-IT, and consultants. The October 2024 Jobspeak report was also promising, showing a YOY increase of 10%. To diversify and grow our overall client base, we've been expanding in the GCC and non-IT sectors by strengthening our go-to-market offerings and acquiring new clients, particularly by increasing our reach in tier-2 and tier-3 cities. Our niche and adjacent businesses like IIMJobs, Naukri Gulf, Hirist, Naukri Fast Forward, Zwayam, DoSelect, AmbitionBox, and JobHai are showing good results and continue to expand growth opportunities and the total TAM for us. Our non-recruitment businesses are also growing well and are on the verge of becoming self-sustaining. In 99acres, we are focused on growing our user base, enhancing the platform, and delivering content for informed real estate decisions and the market continues to be supportive. There continue to be new launches and prices continue to go up. Jeevansathi shift to a freemium model has proven effective, driving both top-line growth and bringing the business closer to breakeven. Shiksha's domestic business continues to grow steadily and is already profitable. Across all our businesses, we are making progress in AI and machine learning deployment. As mentioned earlier, these technologies are being used to improve the search and recommendation experience and are also driving the development of new features and products. This progress has improved user engagement and experience while enhancing productivity and efficiency for both job seekers and customers. A major strength in navigating these cycles has been our consistent cash generation and healthy cash balance. We are continually assessing the best ways to use this 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. Anand, we can now start taking questions.

Anand Bansal: Yeah. Thanks, Vineet. Thanks, Hitesh. The first question is from Nitin Jain from Fairview Investment. Nitin, go ahead and ask your question. Nitin, you are there?

Nitin Jain: My first question is on the margins. So, we can see that the margins have improved by about 400 basis points QoQ. So, I have a two-part question linked to this. Like regarding the marketing spends in the recruitment business, are we still continuing with the new marketing campaign for Naukri and can we see margins improve in this business further from here? My next question is also on the recruitment business. So, now that the hiring market seems to be doing better compared to two-three quarters back, how are we thinking about inorganic growth in this business? And if you could also share the number, like the Naukri Gulf contribution in the recruitment business revenue. Thank you.

Hitesh Oberoi: So, let me answer your first question about margins. See, if topline continues to grow at 14-15% per annum, the margins should get better going forward. How much are we going to spend on marketing, we decide on a quarter-on-quarter basis. We don't have a budget for the year. We spent on IPL, then in Q2 we didn't spend as much. And in Q3 also, we don't have a very big budget for marketing, and as far as Q4 is concerned we'll decide after Q3. Regarding inorganic, we have a lot of opportunities we are pursuing in the recruitment space. Like I mentioned, there's a core business which is now growing faster than earlier. Besides the core Naukri business, we have we've acquired over seven or eight startups in the last few years, and we are now in the process of scaling them. IIMJobs, Hirist, DoSelect, Zwayam, NaukriGulf, Fast Forward, JobHai, which is our blue-collar business. Of course, we keep evaluating opportunities, but we're not looking to acquire anything in the near term, as far as the recruitment business is concerned. We will continue to invest very aggressively in AI. We've been seeing very good results. And that has again opened up a whole new area of opportunity for us. And traditional AI, which is basically more machine learning and now generative AI, we're working on developing a lot of new features and new products. So, that's the current plan. JobHai, we'll continue to invest behind, we started monetizing JobHai in Q1. We are encouraged with what we've seen, and we continue to press the pedal on JobHai also going forward. So, that's the plan for the next few months. But if you'd asked me, what was the plan for the next two years, two years back, we wouldn't have said this. We didn't see the big opportunity that we are now seeing in AI and the kind of impact it's having on our metrics. Our AI team has actually grown from 20 people to 100 people over the last 2-3 years. And that's something we continue to invest in. So, let's see how things evolve.

Nitin Jain: Thanks. That was helpful. And just on the contribution of Naukri Gulf to the recruitment business revenue.

Hitesh Oberoi: So, it's still a tiny part of our business. I think this year; Naukri Gulf will end up doing about a little more than Rs. 100 crores.

Nitin Jain Good. Thank you.

Anand Bansal: Thanks Nitin. The next question is from Nikhil Chaudhary from Nuvama. Nikhil, go ahead and ask your question.

Nikhil Chaudhary: Thanks for the opportunity and congratulations on the solid numbers. After a long time, we have delivered on all metrics, revenue, billing, as well as margins. So, starting with billing first, if I remember correctly, Hitesh, you have mentioned a few quarters back that if IT billing start touching double-digit and less buoyancy in the overall ecosystem. We can touch 20% type of billing growth. I know we have already reached mid-teen types of growth. Jobspeak continue to remain very strong. So, are we headed to 20%? And do you see any risk in our ability to see accelerated growth going forward? Like we've seen some slowdown in BFSI. We are seeing some negative commentary there. So, just want to understand in terms of can we see further acceleration here?

Hitesh Oberoi: We had a tough five or six quarters. And we've grown in double digits, maybe after five quarters of low single-digit growth. October was not bad. October Jobspeak looks good, despite Diwali being in October this time. So, we are hoping that this momentum will continue, at least for some more time. It's very hard to predict what's going to happen three months down the line or six months down the line. There's so much uncertainty in the world around us. It's very hard to say what's going to happen. But like I've said earlier, IT companies have built up a big bench, and the utilization rates have fallen. Over the last five or six quarters that the utilization rates are now back to what they used to be before COVID. The non-IT markets continue to do well. We pressed the pedal on a lot of our new products over the last few months. What we call internally our strategic product portfolio businesses like IIMJobs, Hirist, the Naukri and Ambition Box branding, Zwayam, Do Select - these products grew collectively by about 50% for us last quarter. Five quarters of very low growth, but one good quarter. Hopefully this will sustain. And internally we've set a higher target than 14% for Q3, because our billing growth in Q2 was 14%. So, we set a higher target than that for Q3. Let's see. We'll be in a better position to comment on this maybe three months down the line.

Nikhil Chaudhary: Sure, understood. If you can, maybe it's too early, but quantify how big will be this strategic investment or maybe the early AI revenue monetization you are doing.

Hitesh Oberoi: There are many use cases for AI. Like I mentioned, we are deploying a lot of AI to improve our search experience, to improve our recommendations, to personalize our platforms a lot more than earlier. And the results are very encouraging. And we are doing this in all our verticals, in Naukri, in Jeevansathi and now in 99acres as well. And wherever we are deploying AI, we are getting a 10-20% kicker. On satisfaction levels and on user experience metrics and so on and so forth. Two, we are using AI to build data products. So, we have a small data product business now in Naukri. It's a tiny business, but helps us build our brand. It gives us access to CHROs. And it generates interesting insights, for example, for the recruitment teams regarding sourcing strategies, regarding salaries, regarding their peer set and so on and so forth. So, we are building new products using AI and now we are beginning to monetize them. AI is going to almost every new feature which is being developed or every new innovation inside Infoedge now. There are a lot of things which are being powered by AI. For example, we're experimenting with what we internally call ShikshaGPT, a chat bot on Shiksha. Shiksha is a content and counselling platform. It's got a lot of content. It's not easy to navigate for students. We had a chat bot earlier on Shiksha, but the satisfaction levels of users were low but it's now being powered by AI and the satisfaction levels have shot up as a result. So, AI is being deployed and a lot of new features are being powered by AI. And of course, we have very aggressive plans on how to use even more AI going forward to one, enhance the experience, two, improve productivity inside the company in every part of the organization, three, to build new features, and four, to build new products.

Nikhil Chaudhary: Sure, Hitesh. Thank you so much for a detailed answer. Next one is on the real estate side. We have seen jump in website visit and time spent on housing.com. So, is it early indication of increase in competition?

Hitesh Oberoi: Housing has been spending aggressively for many years now and the competition with Housing continues to be intense. There's not much change on that front. Things are like they were a year ago or two years ago. We continue to work on improving our experience and on improving our offerings. They continue to work on their stuff. There's been no change on that front. Our performance has improved actually over the last few quarters. If we are able to grow the 99acres business by 20% or 18% in the second half of this year, then for the year as a whole, 99acres will actually be close to breaking even. That's what we are targeting. Let's see what happens going forward.

Nikhil Chaudhary: Last one on margin. While you have partially already answered that, but while this quarter we were expecting margin improvement because of one-time branding exercise last quarter, but the margin improvement was anyway better than our expectation. And you in the past called out that if you deliver 15% type of revenue growth, then you will be able to sustain and improve the margin. So, is it fair to say that the peak of investment pace or maybe bottoming out of margin has happened and margin largely remains stable or on improving trajectory?

Hitesh Oberoi: Like I've always said if we are able to grow at 15%, we can maintain margin. If we end up growing at more than 15%, we'll be able to improve margin. And if we end up growing at between 10 and 15%, we'll have to play with some things to maintain margin. We are seeing a lot of opportunity to grow faster in some of the new things that we are doing. We are not margin driven in that sense. So, we focus on top-line and we of course are frugal when it comes to spending and we spend on the right things. But at the same time, we don't want to starve any business or any department for funding if they have good ideas. That's how we operate. And as far as marketing spends go, we decide on a quarter on quarter basis.

Nikhil Chaudhary: Got it, Hitesh. Thanks a lot. Helpful as usual and good luck for coming year.

Anand Bansal: Thank you, Nikhil. Next question is from Vijit Jain from Citi. Vijit, go ahead and ask your question.

Vijit Jain: Thanks, Anand. Hi, Chintan. Hi, Vineet. Hi, Hitesh. Hi, Sanjeev. I just have one question on the property segment. You've started to provide these disclosures around the split between brokers, builders and consumers on both number of customers and the billings number. Just wanted to get a sense of if there are any pricing actions that you're specifically doing within these categories differently. Because if I just look at the trends in terms of realized billings per customer, there seems to be a fair bit of fluctuation. Looks like brokers have gone up, builders have gone up, but customers have gone down or owners have gone down. So, I'm just trying to get a sense of what you're trying to change into in this segment.

Hitesh Oberoi: Is your question regarding pricing?

Vijit Jain: I'm just trying to understand if you're playing with the pricing, you charge owners, builders, brokers differently now versus let's say earlier. And is that a part of some kind of a strategy here?

Hitesh Oberoi: We have a retail business and we have a new home business and we have an owner business. And the offerings are different for different businesses. Our broker business has been growing faster than our developer business. We've launched different listing offerings for brokers over the last 12-18 months. So, there are regular options and there are premium options. I think our pricing has moved up as far as brokers go because a lot of brokers have moved to premium offerings over time. The owner business is a tiny part of the overall business. So, we end up working with a lot of owners. Per owner, we don't make a lot of revenue. And the model for owners is actually freemium. They can actually post listing for free and only a small percentage end up paying us. On the developer side, we have two kinds of offerings. There are a standard listing product and there's a cost per lead model also on which we work with some developers. For pricing in 99acres, we use a lot of analytics. Every quarter we look at how much response we deliver to our clients, what competition is charging, how much property prices have moved up. We review prices and revise them every few months. We don't have one price nationally. We have city-wise pricing in 99acres. Our pricing is different in different cities. At a macro level, I think our pools are moving up, the number of customers have moved up, listings are moving up. But at a city level, there could be wide variations.

Vijit Jain: Got it. Thanks, Hitesh. My second question is on the recruitment business. I can see that within the Billings growth, both realizations and the customer base are improving sequentially for the last couple of quarters. And I note that you obviously highlight Zwayam, DoSelect, AmbitionBox, some of these new initiatives doing better in the overall number. But your split of revenue doesn't seem to have moved much over the years, right? It's still 68% resume database. So, I'm just trying to get a sense of how the revenue split between things like resume database, candidate services and others get influenced as these newer initiatives do better. And why shouldn't, for example, the share of resume database starts to meaningfully go down as these other initiatives are doing better?

Hitesh Oberoi: It's come down over the last four or five years. We have the core Naukri business and there's database access revenue, there is listing revenue and there is branding revenue. Then we have a Naukri Gulf business, then we have candidate services business. We have IIM Jobs and we have JobHai and we have Zwayam and DoSelect. When we acquired them, these businesses were tiny four or five years ago. They were all in the revenue range of Rs. 10-15-17 crores. And they've grown substantially over the last 3-4-5 years but they're still tiny in the grand scheme of things. Naukri Gulf, like I mentioned is about a hundred crores plus, the fast forward business is about Rs. 130-140 crores in that ballpark. Zwayam, DoSelect and others may add up to another a couple of hundred crores. So I'm sure the resdex share in total revenue has fallen by a few percentage points but these businesses today are still small and they're growing fast. If they continue to grow at let's say double the rate of the core Naukri business or slightly more than that, then the resdex share of revenue will fall over time.

Vijit Jain: Thanks, Hitesh. Thanks everyone. Those are my questions.

Anand Bansal: Thanks, Vijit. The next question is from Vivek from Ambit Capital. Vivek, go ahead and ask a question.

Vivek: My first question is on the recruitment business. Non-IT is doing quite well and growing at a healthy pace. It has been the case for a while now. So, Hitesh, could you talk about the pricing trends, especially on the Naukri resdex side for non-IT customers versus IT customers and how to think about price hikes for the non-IT segment? That's question one. Second, you spoke about meaningful revenue contributions from AmbitionBox and JobHai. Is there a way you are looking at TAM or the revenue opportunity in these businesses? How to think about that better for all of us who are looking at the business in the long run? Thank you.

Hitesh Oberoi: Let me answer your second question first. We've just started monetizing AmbitionBox and JobHai. So, right now, revenue is tiny. But if we're able to grow these businesses at a rapid pace going forward, then they can become meaningful over time. Right now they are very small. I mean the JobHai was free till two quarters back and Q1-Q2 together the revenue is like Rs. 2-3 crores or less. But we've got a lot of traffic, we're getting a lot of traction and we are now pressing the pedal of monetization. Let's see how that moves. AmbitionBox also, we just started monetizing. This is year one of monetization and it was free for several years. I think we acquired AmbitionBox almost seven years ago. So, we've worked on building the product and now we are at a stage where we think we can start monetizing it a little bit. But over time, these businesses may become meaningful, unlikely that they will become meaningful in the next two or three years, given that the rest of the portfolio is also growing rapidly. They're strategic from a long-term standpoint. Your second question was regarding pricing, right? First question was regarding pricing.

Vivek: Non-IT specifically.

Hitesh Oberoi: Yeah. Our business model is we charge per job listings. We have branding solutions where we charge for impressions and so on. And on the database side, we have a base price and then we charge on the basis of the number of emails you send and the number of resumes you view and so on and so forth. So, our model is the same for both IT and non-IT. It's just that the IT companies end up using us a lot more and they were hiring a lot of people and therefore ARPU from IT customers are higher. Our share of hiring as far as IT customers grow is much higher than our share of hiring for non-IT customers even today, though those numbers are moving up. So, the model is the same. Because our business was slow for the last few quarters, we haven't really taken any price increase. So, what you're seeing is, at least for the last few quarters, there was no, and Chintan correct me if I'm wrong, there was no real price-led growth, right?

Chintan Thakkar: Yeah, there's nothing very significant to call it.

Vivek: Okay. Extending this question a little bit. So, you're saying that the model is the same, whether it's IT or non-IT in terms of, let's say, number of emails or CV views. So, does this mean that you are charging the same amount of money to hire someone with five years of Java experience versus the resume of someone in entry bank sales with two years of experience? So my question is that the pricing is on volume basis without looking at quality of resume, is it?

Hitesh Oberoi: Yes, that's the current business model. There's a base price and then we charge per login and then on top of that we charge for number of emails and number of CVs viewed and so on and so forth, as far as the core database offering is concerned. And then, there's a negotiation across the table with customers. What ends up happening is that we discount a lot less with IT customers than with non-IT customers because IT customers end up realizing more value through the platform. That's how it works out in practice.

Vivek: Okay. Going forward, do you think it is possible to introduce a pricing model where you are able to charge, let's say, much more for a CV or for candidates who are very high value to organizations versus, say, entry level or, let's say, candidates who are easier to find? And what would that entail?

Hitesh Oberoi: We don't actually get to know how many people get hired through us. What we can track is the number of emails that you send, the CVs that you viewed on our platform. And of course, we use a lot of analytics to understand how much value the customer is getting out of the Naukri. But this is our model and there's an accuracy level of every model. But we have these analytics and we have this data. We use it to determine or to estimate the value that we are creating for our customers and we equip the sales team with this data and when we meet customers to sell and negotiate with them. And then there's a negotiation post that. So, some of this stuff is taken into account while negotiating and customers also understand. But we don't have any way of actually knowing how many people got hired through us. So, that makes it a little tricky. Now, can we move to a model which is a credit-based model where, depending on which CV you view, a different number of credits are consumed? Theoretically, yes. And we've given it some thought. But it's not on the anvil at this point in time.

Vivek: Thanks for the elaborate answers. All the very best.

Anand Bansal: Thanks, Vivek. Next question from Dipanshu Rathi. He is an individual investor. Dipanshu, go ahead and ask your question.

Dipanshu Rathi: Thank you for the opportunity. My question is how the ARPUs have changed, the average ticket size has changed over the years for the core recruitment business. Second question is in the core recruitment business, we talk about the database access, we talk about the resumes and learnings, etc. So, what pie the database access holds and what pie the resume business holds?

Hitesh Oberoi: The database access and resume access is the same thing.

Dipanshu Rathi: Okay, how the ARPUs have changed over the period and what are the general basis?

Hitesh Oberoi: Chintan?

Chintan Thakkar: Vineet, do you have these ARPU numbers that are readily available?

Vineet Ranjan: Yeah, I'm just putting it on. Dipanshu if you look at this page, we disclose this for a full year basis. This is how our number of clients have gone up, how the billings have gone up and how the ARPU has gone up over the years. In FY22, it was Rs. 86,000 per client, which went up to Rs. 111,000 in FY23 and was Rs. 113,000 in FY22.

Dipanshu Rathi: Okay. Got it. Thank you.

Anand Bansal: Thanks, Dipanshu. Next question is from Omkar from Barclays Investment. Omkar, go ahead and ask your question.

Omkar: Two questions from my side - both on 99acres. Firstly, if we look at the total number of listings on 99acres right now, they are the same as we had them pre-COVID, possibly 5-10% higher. With the increased scale of operations and what you've seen in the real estate industry, I'd expected this number to be a lot higher. Why would that be the case that this number is low?

Hitesh Oberoi: See, it could be 2-3 things. One is obviously, we've upped our prices. And when you up prices, you end up losing some customers at the bottom of the file. And second, I think the real-estate market has been solid for the last couple of years now. And in a good market, it's easier to sell property. So, sometimes in a tough market, it could take you six months to sell a house, eight months to sell a house. In a good market, you can actually get done in like two months or sometimes even a month. So, that also makes a difference. I don't have all the detail, but these could be the factors that work.

Omkar: Okay. And how do we see this number going forward?

Hitesh Oberoi: I have no idea because the other thing you must keep in mind is that we have buy listings, rental listings, and commercial listings. So, sometimes buy listings may go up, rental listings may go down. We run various kinds of offers from time to time for our clients. That sometimes also impacts the number of listings we get on our platform. I think at this point in time, the number of listings on the platform are up 8% year on year. That's the number I got. How will this number move going forward? Hard for me to say.

Omkar: Okay. And in terms of monetization of these listings, so right now it's around 65-66%, I guess. Pre-COVID, we also had similar numbers. Paid listings has percentage of total listings. And this has decreased during COVID and increased. So, this is also due to the pricing thing.

Hitesh Oberoi: Our business model is that it's free for owners to list. Brokers have to pay if they want to list properties on our platform. So, this ratio is a function of how many broker listings you get versus how many listings you get on our platform.

Omkar: Okay. Fair enough. Thank you.

Anand Bansal: Thank you, Omkar. There is a repeat follow-up question from Nitin Jain. Nitin, go ahead and ask your question from Fairview investment.

Nitin Jain: Just on the backdrop of a good scale up in Naukri Gulf, would you be inclined to explore any other geographies at this point in time?

Hitesh Oberoi: The bulk of our business comes to the UAE and we have tiny business in countries like Qatar, Bahrain, and Oman. Saudi, we do some business, but we don't have a physical presence in Saudi. We have a physical presence in Dubai and in Abu Dhabi. This business has been growing at 18-20% for us for the last few quarters now and is now profitable. As of now, there is no plan to expand into more countries. We will continue to focus on the UAE and some others, like I said, on Bahrain, Qatar, and Oman for the next few quarters at least.

Nitin Jain: Okay. That's helpful. Thanks.

Anand Bansal: Thank you, Nitin. Next question from Amit Chandra from HDFC Securities. Amit, go ahead and ask your question.

Amit Chandra: Thanks for the opportunity. You mentioned about the benefits we are seeing from the AI tools that we have implemented. I just want to understand, is there any differential pricing also that we're charging from clients for this AI offering or is it only for the customer or for the resume or for the person who is getting hired? And also, in terms of investments, how to see the investments that are going into this AI? Maybe in the initial years, it's in the investment phase, but over the longer run, can we see the higher margins coming out of the investment that we are making here?

Hitesh Oberoi: As of now, we are not charging extra for AI features, at least in our core offering. We are using AI to improve the experience for both jobseekers and recruiters on our platform in Naukri and for the people who are list on Jeevansathi. And we believe that if we improve the experience for them, more people will get hired through us or more matches will get made through us. And in the end, we will realize value somewhere. That's how we are currently using AI. We have launched some new products using AI. Like I said, we launched a mock interview offering in our candidate services business, where you can upload your resume and the AI helps you prepare for the interview. And that's a paid offering, but it's tiny right now. We're not monetizing it very aggressively. And we are using AI to build new features. For example, we're using AI to create content. We are using AI to help recruiters write better job descriptions. That's where we think where things are today. We are constantly thinking of how to create a new revenue pool using AI. One area where we have made progress is the data products. Some of the data products will be launched in Naukri - Talent Pulse, Competition Pulse. We get some revenue from these offerings, which we now make available to HR departments of companies, but early days here. We've been using machine learning for many years now. LLMs are new and we are now learning how to use LLMs also to improve the experience. Like we just launched a ShikshaGPT, a chatbot on Shiksha using LLMs to enhance the user experience for our users. But that's also free right now. We're not charging for it. AI will continue to be a major area of investment for InfoEdge. In fact, we want to double down on our AI investments and I think we will realize value very quickly. The value from these investments we will realize the value very quickly. It's not as if it's going to be a very long gestation period. We had built some brand-new products using AI, now those products will have to be tested, they'll have to be taken to market, the revenue model will have to be figured out over time. So, there will be a lag between the investments we make and the sales we get. But on our core platform, wherever we are deploying AI, we are seeing very healthy ROI already.

Amit Chandra: Okay. And also, if you can highlight whether the AI is also being used in the same manner in other platforms like 99acres and like Jeevansathi, as we are using it in another core equipment platform, or is it too early?

Hitesh Oberoi: It's already being deployed in Jeevansathi and 99acres as we speak and even in Shiksha. Of course, Naukri is a much bigger business. So, 70-80% of all our AI effort goes into Naukri. But the other businesses are also benefiting tremendously from AI already.

Amit Chandra: Okay. And you mentioned that we have scaled the AI workforce to around 100. So, is there any number or plans in the near term? Is it all the investment in terms of people are done?

Hitesh Oberoi: We are investing in hiring machine learning engineers, data scientists, AI strategists. We are deploying AI tools, leveraging LLMs, and are soon going to be buying GPUs. So, these investments just started. AI is also developing very rapidly and things are changing very fast in the AI world. So, these investments, as long as we're getting greater ROI, which we already are, we will continue to invest more and more in AI.

Amit Chandra: Okay. And on the matrimony platform, we have seen quite good development there in terms of billings and also the losses have reduced. So, how to see it from here on whether it will be profitable next year, meaningfully profitable or we want to operate it at the breakeven level. And also some of the initiatives that we have taken have actually worked well in terms of the change in strategy. So, is it going to be the same status quo or are we planning something else there?

Hitesh Oberoi: In matrimony, we were losing a hundred crores plus a year, two years ago. And we are hoping to get to breakeven this year or close to breakeven this year. That was our goal. We haven't really given it too much thought on what we will do going forward. The model seems to be working. The product innovation is solid. AI is helping. So, if we get to breakeven this year or close to breakeven this year, and we are also working on smart monetization because we went free and for a while our revenue took a big hit and now we are trying to get revenue back. And once we get to breakeven, then we'll apply our mind again to what next in matrimony.

Amit Chandra: Okay, thank you and all the best. Thank you.

Anand Bansal: Thank you, Amit.

Vineet Ranjan: Hitesh, there is one question in the chat. This is from Deepak. The revenue per unique customer in recruitment solutions business since last 4-5 quarters is hovering around Rs. 58,000 to Rs.

60,000 on a quarterly basis. With IT now gradually recovering, and higher ARPU, can Rs. 60,000 be considered as floor from here or would incremental customer acquisition will be partly discounted.

Hitesh Oberoi: When we acquire new customers, ARPUs are lower because most customers start small and if the results are good then they upgrade over time. And of course, a lot of the customers we acquire are small customers as well. So, for new customer acquisition, ARPUs are normally very low. We are in a difficult market, it's hard to uprise this. What we are doing right now is trying to sell more products to them. Like I said, we have a whole bouquet of offerings. We try and sell more and more products to them and that's how we get higher billing from them. In a hot market, when hiring becomes very hard and consultants also up their prices and it's very hard to get talent and numbers go up, then that allows us to up prices. And that's what we saw maybe two years ago when we had the great resignation and hiring was hard and attrition rates doubled in almost every company, we were able to up our prices. But for the last six quarters, it's been hard for us to even maintain the same price. So, a lot will depend on the hiring environment going forward as far as pricing is concerned. The new products, we'll keep pushing because penetration there is low and there's a whole lot of opportunity to get new customers for the new products in our portfolio.

Vineet Ranjan: And also Hitesh, one should look at it on an annual basis than quarterly because in quarter four seasonally we record strong billings. So, then this number suddenly shoots up. So, one should also look at on an annual basis.

Anand Bansal: That was the last question we had for the day. In case any more questions, please raise your hand. No, there are none.

Vineet Ranjan: Thank you everyone for joining. On behalf of Info Edge, we conclude this conference call. Thank you.

Hitesh Oberoi: Thank you and have a great evening.

Anand Bansal: Thank you so much everyone. We conclude this call.