

Info Edge (India) Limited

Annual General Meeting – 2021

Chairman's Speech

Dear Shareholder,

I welcome you to the 26th ANNUAL GENERAL MEETING of the Company.

As I had alluded to in last year's speech, FY2021 would be a very difficult year for the world economy and businesses. We had already seen the widespread effect of the global COVID-19 pandemic. The loss of life across the world was unprecedented since the plague of 1919. Economic activity, all around has retracted by 5-7 years. India was recovering from the first wave of the pandemic and getting back to good growth trajectory, when a devastating second wave hit in April-May 2021. The loss of life in this second wave has been even more severe, however, the country is now better prepared to deal with the challenges of the pandemic and get back on the path of recovery – both social and economic – in a shorter span of time.

Clearly, for our generation, the COVID-19 pandemic will be an unprecedented watershed event that has far reaching implications especially on the fundamental way in which we lead our lives. The pain associated with loss of life and widespread suffering far exceeds the economic debacle. I take this opportunity to convey my deepest condolences to all Info Edge stakeholders who have lost a friend or a family member to this disease. Despite our best efforts at Info Edge we too lost a few young colleagues to the deadly virus. Our gratitude towards their contributions to the organisation and heartfelt condolences to their families for the loss.

At Info Edge, we had done our preparations even before the official Government of India lockdown was announced in March 2020. With full support of cross-functional teams, we seamlessly moved into a 'work from home' operational environment protecting most of our employees from the pandemic. Having taken all precautionary measures and recalibrating our business strategies, most of our core businesses were on a strong revival path from the third quarter of FY2021. However, the second wave of COVID-19 during April-May 2021 dented the fast-paced road to recovery.

During the more severe second round of COVID-19 in India, we stepped up our efforts and rose to attending to the well-being of all our stakeholders — employees, partners, customers, and society at large. Necessary efforts were undertaken to have information on all employees, so that timely support could be provided. We saw the need for oxygen concentrators and we attempted to make the supply available for all employees, their families, extended families, some of our group companies, as well as employees of investee companies. To implement this efficiently, a dedicated helpline was set up, which was integrated with chat platforms like WhatsApp to be able to respond to any affected employee in a timely and effective manner. For any infected person, a dedicated resource was assigned to monitor and support for any need.

Having dealt with the emergency phase, the Company shifted gears and moved ahead focusing on the vaccination programme for employees and their families, which was further extended to clients. In the initial phase, we covered the major cities covered including NCR Delhi, Mumbai, Bangalore, Hyderabad, Chennai and Pune. Subsequently, we have moved to smaller centres.

I sincerely hope that as a nation we maintain the necessary behavioural precautions that prevent another round of massive spread of this deadly disease.

From our business perspective, COVID-19 has accelerated India's road to digitisation. It has provided a major fillip to digitisation of processes across the value chain, fundamentally redefining the overall business landscape. Customer behaviour and preferred interactions are dramatically changing.

In this business environment, at Info Edge we continued to focus on mid to long term investments across our platforms — in enhancing our product offerings, building brand values, bringing in and adopting new technology and enhancing the overall skill set of our people to be able to drive the rapidly transforming eco-system. Across our businesses, we are deploying enhanced audio-visual tools, increasing data analytics to establish better customer connect, and deploying various Artificial Intelligence tools to provide enhanced services to our customers. The goal is to increase the customer base while enhancing our value proposition to existing customers that will result in better sales realisation per customer.

Given the difficulties in the prevailing business environment, revenues and profits generated by the Company for FY2021 are very creditable. Standalone revenue reduced by 13.68% to Rs.10,985.97 million in FY2021, while operating EBIDTA reduced by 31.10% to Rs.2,774.96 million. We continued with all our endeavours to drive the long-term competitive positioning of the Company. Consequently, while several short-term cost management measures were implemented, long-term investments in people and technology continued unabated resulting in fixed costs remaining high despite lower revenues, which had a negative impact on profit margins but without compromising on the mid-long term growth.

The second half of FY2021 witnessed strong revival in the Company's performance across businesses. Consequently, deferred sales revenues increased to Rs. 5,207.86 million as on 31 March 2021 against Rs. 4,655.94 million on 31 March 2020 — representing an annual growth of 11.85%. The second wave of COVID has temporarily stalled this growth momentum, but we expect a bounce back soon.

RECRUITMENT SOLUTIONS

In terms of our core businesses, Recruitment business had a strong performance in Q4, FY2021 with a 22.05% YoY growth in billings. After a sharp fall in the first half, we witnessed secular growth in the second half with an increase in billings, platform usage and the number of customers. Predominantly, the revival has been from the recruitments in the IT and IT enabled services sector, while some traditional sectors continue to be under stress. Recruiter engagement with the platform improved further in Q4, largely led by IT, healthcare and pharma industries.

99ACRES.COM

At 99acres, billing was down by 13.62% and closed at Rs.1,848.14 million for FY2021; while revenue declined by 23.77% to 1,737.78 million in FY2021. With lower revenues, we undertook some operational cost rationalisation. However, with a longer-term brand development objective, we continued to invest in marketing initiatives. Consequently, the business slipped back into operational losses in FY2021 after hitting operational profit in FY2020.

JEEVANSATHI.COM

The matrimony business under jeevansathi.com was the least affected by the prevailing economic environment. Billing for the business grew by 15.23% to Rs. 1,003.76 million in FY2021, while revenues increased by 14.39% to Rs.968.96 million in FY2021. As highlighted in last year's Annual Report, we are continuing to invest in this business with a revised business strategy. Consequently, even with revenue growth, the business incurs operating losses, but much of this is by design.

SHIKSHA.COM

At Shiksha, we continue to focus on enhancing quality of engagement with the users and developing more relevant user content. Billing increased by 12.66% to Rs. 586.39 million in FY2021 and revenues grew by 6.93% to Rs.569.61 million in FY2021. Importantly, the business undertook several internal restructuring and reorganisation initiatives and generated Operating EBIDTA profit of Rs.40.97 million in FY2021.

INVESTMENT PORTFOLIO

While executing different portfolios, Info Edge today has evolved a clear structure to its business portfolio, which now comprises three clear groups of businesses. First, there is the standalone entity that owns, manages and invests into the brands under four well defined business segments/verticals – recruitment, real estate, matrimonial and education. These businesses are the core of the Company and are nurtured by internal teams. Second, there are a series of strategic investments into services and product-oriented entities that support or have potential to create synergies with the core businesses. Third, there are a series of investments made in diversified entities that have significant value creation potential over time. Each of these are managed independently with the Info Edge management providing broad guidance and financial support. In this portfolio, Zomato had a very successful listing with 38 times subscription in July 2021, which has generated strong returns for our investments over the years. Another investee company – PB Fintech Ltd. (PolicyBazaar) has also filed a DRHP with SEBI.

Encouraged by the success stories of value creation in long term investing for our stakeholders and to further streamline investment portfolio, in January, 2020, Info Edge has set up an "Alternative Investment Fund (AIF)" named Info Edge Venture Fund (IEVF) to invest in technology and technology enabled entities. The fund has been floated as a US\$ 100 million fund, with Info Edge (including its group companies) committing US\$50 million and balance committed by MacRitchie Investments Pte. Limited (a wholly owned subsidiary of Temasek (Holdings) Private Limited).

Institutional investors continue to repose faith in our business even in this difficult market environment. During August 2020, we successfully raised around Rs.18,750 million from a QIP issue. We propose to utilise the net

proceeds to augment our long-term cash resources, for meeting the fund requirements of our business activities and general corporate purposes as a part of our growth strategy.

HUMAN RESOURCES

Info Edge's primary assets are its people. Consequently, the Human Resource Management function plays an extremely critical role in the overall development of the Company. As the year began with uncertainty, major focus was the safety of all employees and their families and to ensure this, the Company fully enabled the teams to work from home. All our employees were very quick to adapt to this new world of working and meeting remotely & still not missing a beat and meeting all expectations of the stakeholders. In the aftermath of COVID-19, FY2021 saw work trends and workforce expectations undergo a sea change. Info Edge rose to the occasion with innovative strategies to engage, encourage, retain, protect and extend support to all stakeholders.

CORPORATE SOCIAL RESPONSIBILITY

Talking about the social responsibilities of your Company - your Company undertook various activities during the year in discharge of its social obligations. Your company continued to focus its CSR initiatives primarily in the field of education & employability in this reporting year, with much needed emphasis on promoting health care including preventive health care in view of Covid-19 pandemic, as well as on skill development and vocational skills training.

FUTURE OUTLOOK

Through the high uncertainty about the path of the pandemic, a way out of this health and economic crisis is increasingly visible. Thanks to the ingenuity of the scientific community, we have multiple vaccines that can reduce the severity and frequency of infections. The Company expects that in the post-COVID-19 environment there will be faster absorption of internet-based activities in the domains where it operates. Hence, it is preparing itself to best utilize the next wave of market opportunities as the COVID-19 crisis subsides, hopefully from the second half of FY 2022.

CONCLUSION

Amidst a pall of gloom in the environment, I see several positives for our business going forward. I take this opportunity to extend our appreciation to the entire medical fraternity and health care volunteers who have worked very hard across the world to battle COVID-19 in protecting people's lives. Their relentless efforts under very difficult circumstances were exemplary and the humanity shall always be grateful to them.

As I conclude, I offer my hearty appreciation to all our employees, investors and external stakeholders for continuing to support the Company in these difficult times. I feel privileged to work with and lead such an extraordinary group of people and to be part of a culture built on sound principles of ethics and the highest standards of corporate governance. I look forward to delivering on our long term objectives on which you have constantly reposed your faith.

Thank you
Kapil Kapoor