“Info Edge (India) Limited
Q2 FY2027 Results Conference Call”

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MANAGEMENT:
Mr. Sanjeev Bikhchandani – Founder & Vice Chairman
Mr. Hitesh Oberoi – Co-Promoter & Managing Director
Mr. Himanshu Agarwal – Chief Financial Officer

INVESTOR RELATIONS:
Mr. Vineet Ranjan – Head, Investor Relations

Anand Bansal: Good afternoon, everyone. I'm Anand Bansal, joined by my colleague Vineet Ranjan. Thank you for joining us. We'll wait for a couple of minutes to allow more participants to log in.

Vineet, we currently have 100 participants with us. Over to you to get us started.

Vineet Ranjan: Thank you, Anand. Good evening, everyone. Welcome to InfoEdge India Limited Q2 FY27 earnings conference call. Joining us today from the management, we have Mr. Sanjeev Bikhchandani, Founder and Vice Chairman, Mr. Hitesh Oberoi, Co-Promoter and Managing Director, and Mr. Himanshu Agarwal, Chief Financial Officer. Before we begin, I would like to draw your attention to the detailed disclaimer included in the presentation for good order's sake. Kindly note that this conference call is being recorded and all participant lines will be on mute, and there'll be an opportunity for Q&A towards the end of the call.

Now I'll hand over the call to Hitesh for his opening remarks. Thank you, and over to you, Hitesh.

Hitesh Oberoi: Thank you, Vineet, and a very good evening to everyone. Thank you for joining InfoEdge's earnings call for the second quarter and first half of FY27. I will start with our overall read for the quarter and the half year and then take you through each business in more detail.

In Q2, standalone billings grew 13% YoY. Revenue grew 13% to Rs.842 crores and operating profit grew 30% to Rs.347 crores. The operating PBT margin was 41%, up 541 basis points year on year. Cash generated from operations was Rs.373 crores, up 27%.

For the first half, billings grew 14%, revenue grew 12% and operating profit grew 32%. Cash generated from operations in H1 was Rs.598 crores, up 27%, and we ended September with a cash balance of Rs.4,976 crores. The detailed numbers are in the earnings deck.

Recruitment, 99acres and Jeevansathi together are growing faster than the standalone numbers suggest, while reported growth is diluted by Shiksha, which is undergoing a structural transition. Excluding Shiksha, standalone billings grew over 14% in Q2 and about 16% in H1, against reported growth of 13% and 14%, respectively.

Starting with the Recruitment segment, in Q2, Recruitment billings grew 13% and revenue grew 13%. Operating profit increased 20% at an operating PBT margin of 59%, and cash from operations increased by 20%. As we indicated in our billing update earlier this month, the timing of customer renewals affected reported growth this quarter. Some clients renew ahead of schedule while others defer to a later quarter, shifting billings between quarters without changing the underlying trend.

In Q1, timing lifted reported growth to 17.5%. In Q2, it worked in the opposite direction. Adjusting for these timing differences, we estimate underlying growth at around 15% in Q1 and around 14% to 15% in Q2. For this reason, we believe the half-year performance provides a more reliable read than any single quarter. H1 Recruitment billings grew 15%, and over a longer period, these timing differences partly even out.

In our core India B2B recruitment business, the drivers are broadly similar to Q1. Hiring activity stayed steady, led mainly by replacement demand, with some pickup in a few segments. Enterprise renewal rates held up and premium hiring continued to do better than the broader market. Across sectors, Q2 billings grew 3% in IT, Tech and BPM, 7% for GCCs and 18% in other sectors, while recruitment consultant billings grew 7%. As renewal timing affected these numbers as well, the half year gives a relatively better picture. In H1, growth was 9% in IT, Tech and BPM, 19% in GCCs, 16% in other sectors and 5% for consultants. Other sectors' growth improved in H1 over last year, led mainly by BFSI, Consumer, Retail and Manufacturing sectors.

Beyond B2B, our jobseeker business, Naukri 360, grew billings by 37%. Paid subscribers are now 2.7% of monthly active users, compared with 1.3% in January'25. AI-led services are playing a growing role in conversion. The business operated at an operating PBT margin of 64%. Job Hai, while still small, grew billings by 86%, with investment levels broadly unchanged. Lastly, NaukriGulf grew by 9%. It remains profitable at margins of around 36%, and we see scope for growth to recover as and when conditions in the region normalize.

AI and data products billings now contribute a high single-digit share of our Recruitment topline, with an annualized run rate of around Rs.240 crores based on Q2. This comes from AI-Rex and Talent Pulse on the B2B side, and from AI-led services for jobseekers such as mock interviews, our jobseeker agent Neo and the AI resume making service.

Enterprise uptake normally follows a familiar path. Customers first try the product. They start small, embed it in their hiring workflows, and then commit larger budgets. Early feedback on both AI-Rex and Talent Pulse has been very positive. Our focus now is to add customers, deepen usage and show measurable value, so that consumption grows materially over time.

Building an AI product is getting easier. Getting it adopted at scale is not. We work with over 150,000 paying recruiter clients through a sales network across 80+ cities, and our platform with 120 million profiles, with around 20,000 added and over 9 lakh updated every day. This combination of distribution, data and jobseeker scale is difficult to replicate, and we believe it gives us a clear right to win in AI-led hiring.

At its core, Naukri is a sourcing platform. Recruiters search our resume database to find and reach the right candidates, complemented by job postings. Hiring volumes follow the macro environment, so our effort is focused on what we can influence: our share of hiring and what we earn per hire. We are doing this by building a broader set of hiring solutions around the core, including AI-led sourcing, talent intelligence, employer branding, assisted hiring and assessments, across the premium, mid-market and value segments.

In the premium segment, which includes Naukri Top Tier, PremiumX, iimjobs and Hirist, several capabilities are packaged at no extra cost today, leaving room for further monetization. In the mid-market, the focus is recruiter productivity and adjacent services, while in the value segment, Job Hai is building an AI-enabled marketplace for SMEs and enterprises hiring full-time and gig workers, and recruitment firms. For jobseekers, we are adding career insights, upskilling and interview preparation through Naukri 360, Minis and Coding Ninjas. These are largely self-serve and margin accretive.

Moving over to the Real Estate segment, growth in 99acres continues to accelerate. Billings grew by 21% YoY in Q2, up from 17% in Q1. Revenue grew 17%. Operating losses reduced significantly by 93% from Rs.23 crores in Q2FY26 to less than Rs.2 crores in Q2 FY27. 99acres generated cash from operations of Rs.22 crores in Q2, against Rs.2 crores a year ago.

Our leadership position strengthened further across key operating metrics. Web time share amongst the top three portals was 49% in Q2 and 51% in September. App time share was 49% in Q2 and 50% in September, up from 27% in Q2 of last year, based on SimilarWeb's revised app data series. App DAUs grew 25% YoY.

Supply momentum remained healthy across categories. Live listings across resale, rental and commercial grew 23% YoY from owners and 14% from brokers, while new project listings grew 15%. More brokers, developers and owners are choosing 99acres to market residential and commercial properties across the country.

Traffic leadership, wider supply and product improvements are translating into higher engagement. Property enquiries across all categories put together grew 33% YoY. We also continue to optimize our marketing mix and get more out of our marketing spend. Marketing investment was about 13% lower YoY, while enquiries kept growing. This demonstrates how market leadership can begin to translate into better economics. We continue to apply AI across user experience, enquiry generation, marketing and operations, with early benefits visible in engagement and marketing efficiency improvements.

Looking ahead, we aim to gain further share in H2, in both traffic and revenue, and will continue to invest to support this while improving profitability at the same time. New Projects remain a significant opportunity, which we estimate at about Rs.6,000 crores across digital and non-digital spend. Expanding our presence here is a strategic priority, through investments in content, product and client delivery. We are also taking 99Shorts beyond NCR to more cities. As our lead over other portals widens across supply, traffic and monetization, we expect operating leverage to emerge progressively through the rest of FY27. We expect 99acres to generate positive operating cash for FY27, with cash generation strengthening over time.

Moving over to the Matchmaking segment. Matchmaking billings grew 23% in Q2, with Jeevansathi up 18% and Aisle up 40%. The segment operated near breakeven at the operating PBT level. Jeevansathi reported an operating profit of Rs.2 crores and Aisle an operating loss of Rs.3 crores. Cash generated from operations for the segment was Rs.3 crores versus a cash loss of Rs.2 crores in Q2 of last year.

In Jeevansathi, we retained a profile share of over 45% in Hindi-speaking markets and continue to lead on daily logged-in users in these markets. The team is testing a number of new features and paywall formats around value, convenience and affordability, and AI is improving recommendation quality. We expect Jeevansathi's billing growth to accelerate in the second half. We expect Aisle to continue on a high-growth trajectory. Since moving to a freemium model for women, we believe Aisle has one of the highest shares of female users amongst dating apps in India, which improves the experience on both sides of the platform.

Lastly, the Education segment. Shiksha's billings declined 27% and revenue declined 9%. The business operated near breakeven at the operating PBT level, with cash losses from operations of Rs.16 crores. AI-driven changes in search behaviour have reduced the referral traffic Shiksha relied on, and this continues to affect delivery outcomes for clients. These changes require us to evolve the business model. That pivot is underway. We are building domestic counselling, supported by AI voice bots, to create a direct relationship with students rather than depending on search. In Study Abroad, we are widening destination coverage to the UK, UAE and continental Europe as student demand shifts. Our focus is on returning Shiksha to growth while keeping losses contained during the transition.

A little on AI across InfoEdge. Let me just tell you how we are thinking about it. Beyond product-specific applications, AI is changing how we operate, with efficiency gains across functions including marketing, pricing, lead qualification, telecalling and product development. Across Recruitment, Real Estate and Matchmaking, our proprietary data, marketplace relationships and domain expertise position us to benefit from AI through better matching, recommendations and customer outcomes. At the same time, AI is changing how users discover information, and we need to keep evolving our products and business models. We continue to step up investment in AI infrastructure, talent and tools. In most products, AI improves outcomes within the core offering. Where it is sold separately, it contributes to the AI revenue discussed earlier.

A brief word on our investment portfolio. Our investment portfolio now spans around 135 companies across AI, deeptech and consumer tech, with about Rs.5,000 crores invested through our balance sheet and AIFs. Several companies have listed, and others have raised follow-on rounds from credible investors. We invest early and hold for the long term, and we expect the portfolio to create significant value for shareholders over time.

Let me close with how we see the years ahead. Our strategy rests on three pillars. First, strengthening our core marketplaces through technology, AI and better customer outcomes. Second, growing our AI monetization through AI-first products, products which would not have existed without AI, products like AI-Rex and Talent Pulse for recruiters and AI services for jobseekers. Third, scaling a broader set of growth engines, including Naukri 360, Coding Ninjas, Job Hai, AmbitionBox, 99acres, Jeevansathi and Aisle, that expand our opportunity. Several have moved beyond early validation and are now scaling, with headroom from deeper penetration, share gains, pricing and new customer segments. As these businesses scale, much of the incremental revenue can be generated on our existing platforms, creating room for operating leverage, stronger margins and higher cash generation over time. Together, these give us confidence in building a more diversified and sustainable growth platform for the long term.

Before we move to Q&A, as we announced today, I will be stepping down as Managing Director and CEO at the close of business on December 2nd, after nearly 27 years at InfoEdge, and Sanjeev will take on the role of Executive Vice Chairman, Managing Director and Group CEO from the 3rd of December. It has not been an easy decision, but it is one I have thought through carefully over time. I believe the company now has the depth of leadership and institutional strength to move confidently into its next phase. Subject to shareholder approval, I will continue on the Board as a Non-Executive Director. I would like to thank all of you for your trust and support over the years. With that, we are happy to take your questions.

Vineet Ranjan: Thank you, Hitesh. Anand, we have a few questions already there in the queue. Maybe we can start with them.

Anand Bansal: Thanks, Vineet. Anyone who wishes to ask a question may raise your hand. We have a couple of questions; we'll take them and the rest will follow one by one. The first question is from Sachin from Bank of America. Sachin, go ahead and ask your question.

Sachin Salgaonkar: Thanks, Anand. Good day, management. I have three set of questions. Hitesh, your decision is surprising. Two questions out here. I just wanted to understand, will Sanjeev be taking over as a full-time CEO, or is it more like a stopgap arrangement till we hire someone new? From a transition point of view, anything we need to look at? Presume you will be involved in strategic decisions now that you will be a board member, subject to shareholder approval.

Hitesh Oberoi: Sanjeev, you want to take that?

Sanjeev Bikhchandani: We haven't thought about that yet. Obviously, Hitesh is still there for a month, and beyond that, he's there anyway and available, and I'll be taking his counsel. I'll be obviously talking to the NRC, and we'll figure out how to evolve the leadership structure at the top going forward. There's no decision taken on hiring more people yet. As far as I'm concerned, I'll be taking over. I'll be listening a lot. I'll be observing. I'll be asking questions. I'll be learning. I'll take Hitesh's guidance. The good bit is that the leadership below him, who work around him, is very, very good. Already I've done three meetings today in the last two hours, and people are totally on top of their jobs. I don't think I'll have actually that much to do.

Sachin Salgaonkar: Got it. Thank you. Very clear. Second question, Hitesh, on the business, and this is largely on the billings growth in this quarter. Last quarter, we saw billings growth of close to around 17%, and adjusting for that one-off, let's say it was 15%. When you look at the revenue, typically the last quarter billing growth does translate into revenue. In that context, it looked a bit softer at 13%. Anything to look into that, now that the AI billings is also a high single digit in terms of share? Is that influencing it? Is there something out there? The related question is, billings growth in this quarter was 13%. Is this the new normal, or is there a timing issue out there where numbers could move just the way they moved last quarter?

Hitesh Oberoi: Billing gets affected. A lot of our clients renew at quarter end. Sometimes negotiations drag. Sometimes deals close early and sales get pulled, and billing gets pulled into a quarter, and sometimes it gets deferred. From a billing standpoint, it's always better to look at YTD or at least H1, because timing differences tend to get evened out over time. In Q1, we actually had said on the call last time that 17.5% was not the real number. To us, it was more like 14-15% because some sales got pulled in. In this quarter, the timing differences sort of work in the other direction. Our sense is that our business is growing at 14-15% right now. Internally, these are the kind of targets we are setting for the sales team as well going forward. So that's what it looks like right now. Now, as far as revenue recognition is concerned, revenue is recognized over 12 months because most of our deals are annual in nature. Even if you renew in Q1, that deferral kicks in over the next three quarters.

Sachin Salgaonkar: Got it. Directionally, revenue should be in the 14-15% range as the billings growth stabilizes out there. Last question I have on margins. Wanted to understand, is this shift towards AI-Rex directly helping in terms of margins? How to think about margins at the recruitment business? Clearly, for 99acres, we could see the market share change. Wanted to understand if this is structural, and hence, on the back of it, we should continue to see margin improvements at 99acres as well.

Hitesh Oberoi: The AI offerings we've launched are of course very high gross margin. Our go-to-market strategy right now, especially on the B2B side, is to go for penetration and adoption. We have 150,000 customers in Naukri. There are at least 40,000 large clients who renew annually, who buy a big product, where ARPU is high. Technically, Theoretically, it should be possible to sell AI-Rex to everybody, all these 40,000 accounts. Right now, the number of accounts who are trying AI-Rex is 2,000. Normally, when clients start with a new product, they start small. They try it out. If they're happy, they renew, they buy more. On the AI-Rex front, our strategy is to make it like a no-brainer for clients who try it out, because we are very confident of the product and our ability to deliver. Our goal for the next, I would say, maybe 24 months is going to be to drive penetration, to get as many customers to use AI-Rex as possible, and then to get them to adopt it, use it and then renew, and at renewal time, get them to upgrade and buy more. In the end, we believe that customers who move to AI-Rex will end up hiring more people through Naukri. Our hiring share will grow with them. They will also be able to hire talent faster and better, and their recruiters will become more productive. Ultimately, this will mean more revenue for us and higher growth for us, and at high margins, because once the technology is developed, once the Capex is done, there's not much incremental cost. That's our philosophy. This is the approach we followed with Resdex maybe 25 years ago when we launched Resdex. Today, a large percentage of our revenue comes from Resdex. 70-80% of our revenue in Naukri comes from Resdex. In the early years, we gave Resdex for free. Then we made it half price. Then after that also, we gave a lot of discounts. If you look at where we are today, we perhaps charge maybe 5x or 10x of what we used to charge back then. Because once the product starts to work, once customers get hooked, once it starts to deliver, once they start making a lot of hiring through it, then it's easy to realize value. That's the approach we're taking for both AI-Rex and Talent Pulse.

On the jobseeker side, our AI offerings are doing really well. AI is allowing us to price them cheap. AI is allowing us to launch new products which could not have been possible without AI, like interview prep. We've launched a jobseeker agent, Neo. These products will keep improving. But already, if you look at what has happened over the last five or six quarters, jobseeker penetration of paid products has moved from maybe 1.5% to 2.6-2.7% of monthly active users on Naukri. We see a huge opportunity here. There are many more products which are under development. We have a huge product pipeline as well, both on the jobseeker and on the recruiter side. We feel confident about this strategy. We are going to keep pushing in this direction. Our hope and our core belief is that if, in the end, more people get hired through Naukri, if our hiring share continues to increase, revenue growth will follow. Business models may keep evolving, will keep evolving.

Sachin Salgaonkar: Very clear, Hitesh. Any number in terms of where steady-state margins could be in case of the new normal, where AI-Rex becomes a larger part of the product?

Hitesh Oberoi: I don't know. It'll depend on what our hiring share ultimately ends up being. If today 40% of all people are hired through Naukri, if that number goes to 60% over time, who the knows where margins will go? Margins are not really our focus right now. It's about getting more sales, it's about getting more users, more clients, it's about getting adoption going. Inherently, the product is high gross margin. If you are able to sell and if you are able to upgrade clients. Like last quarter, we did notice that clients who bought our AI offerings ended up paying us on the average at least 10 to 15% more than clients who did not buy AI offerings. We were able to get higher upgrades. Clients also want to try these out, and hopefully they'll work. I don't think margins will go down. Margins will only improve if we are successful. But we have to ensure that sales keep growing at higher than 10% year on year.

Similarly, your other question was around 99acres. There we've been highlighting for the last seven, eight quarters now that we've been gaining traffic share, and revenue share follows with a lag. That's how it's playing out. Our business grew by 21% last quarter. In fact, September growth was even higher. In almost every city now, we are clear leaders. Our revenue market share, according to us, in our core categories, is now hitting 50%, and we continue to gain share. Our sense is that our competition, in both cases, their revenue actually declined last quarter. That's what we're hearing from the market. We continue to get stronger and stronger. Like any marketplace business, this is a network effect business; there's a flywheel. If you get strong, if you start gaining share, it's very hard for others to catch up. At the same time, because of what has happened in our category, the competitive intensity has gone down. Housing, which was owned by REA earlier, has sold their business to Aurum, and Aurum has gone on record saying that they want to break even over the next four to five quarters. This means lower marketing cost. We are under no pressure to spend more on marketing. Platform is built, operating leverage is playing out, 99acres generated Rs.20 crores+ cash this quarter. If we continue to execute like this, things will only get better.

Sachin Salgaonkar: Thank you. Very clear.

Anand Bansal: Thanks, Sachin. Next question is from Vijit Jain from Citi. Vijit, go ahead and ask your question.

Vijit Jain: Thank you so much for the opportunity. Hitesh, again, I'll echo what Sachin said earlier; it came as a bit of a surprise. My question is, if my understanding is right, property and other segments have CBO positions already. I know Pawan left the platform a few months back. Is that the structure that you would again seek to go back to for the recruitment business as well? If my understanding is right, there is no CBO at the moment there.

Hitesh Oberoi: Like Sanjeev said earlier, he's going to take over as Group CEO, and he's going to meet everybody and then slowly make up his mind on what next. For the longest time, I believe now that we have a crack team in all our verticals. We have people who've been around for several years. They have grown with the business. They have matured as leaders. We have a crack team in Naukri. We have solid leadership in Job Hai, 99acres, Jeevansathi. That actually gave me the confidence to move on. I guess what you're saying, and I guess Sanjeev will sort of take over and then.

Sanjeev Bikhchandani: I think nothing in a hurry. The first priority will be to give internal people an opportunity to grow. Then we'll take a look. Like I said, I'll listen to Hitesh a lot. He

is there, is around, is available even after December 2. I'll listen to the NRC a lot. I'll listen to the current people inside the company a lot, and then we'll figure it out.

Vijit Jain: Understood. Thank you, Sanjeev. Appreciate that. My second question, good to see the AI billings disclosure. Wanted to understand the ARR a little bit. Suffice to say that the ARR, the Rs.2.4 billion, is higher than what you would have seen in 2Q, right? So just wanted to get a sense of the pace of growth we are looking at there. Second, should we think of this as additive versus last year or is there an element of the nature of deals changing as well there?

Hitesh Oberoi: There was some AI revenue last year as well. We did not report it separately, especially on the jobseeker side. Talent Pulse was there last year as well, so there was some revenue from Talent Pulse. AI-Rex is new. We got only a little revenue from AI-Rex in Q1, but it scaled up massively in Q2. When I say ARR is Rs.240 crores, what we really mean is Q2 revenue into four is what we see as ARR. Q2 revenue from AI-first products and services, products which could not have been possible to launch without AI, was around Rs.60 crores. That's what we mean by it.

Sanjeev Bikhchandani: Not as if it's cannibalizing existing revenue.

Vijit Jain: So, this is nearly all additive, and there would have been a non-zero number in the base but mostly coming from Talent Pulse. Understood. Perfect. Thank you so much.

Hitesh Oberoi: And jobseeker services. There were some jobseeker services which had been launched by Q2 of last year.

Vijit Jain: Understood. A related question to that, and this is more an in-principal question. In general, do you think that bundled pricing is the way AI and AI offerings would seep through into your billings and revenue overall? By that, I mean is you don't necessarily charge for each individual AI product, but your clients use them, and it enables you to raise your pricing over time. Is that the right way to think about pricing, a bundled approach versus a disaggregated approach?

Hitesh Oberoi: No, right now, we are pricing them separately. We have a price for AI-Rex per mandate: Rs.3,500 per mandate for companies, Rs.2,500 for consultants. That was the other big thing, we rolled out AI-Rex for consultants also in Q2. We had not rolled it out for consultants in Q1. There's a rate card rate. Similarly, there's a rate card rate for Talent Pulse. But often, when we sell to clients, they buy multiple products at the same time, and then there's a negotiation. They may buy Resdex, they buy job listings, they may buy AmbitionBox, they may buy AI-Rex, they may buy Talent Pulse, and there's a negotiation. In that sense, when it is sold, it is sold as a bundle, but there is a separate rate card for Talent Pulse.

Vijit Jain: Understood. Perfect. Thank you. My last question, on advertisement spends, just on the B2C side. Given that is growing very strongly, 37% this year YoY, I'm wondering, with AI-powered offerings there and all the growth you're seeing there, and given where the market dynamics are, does it warrant higher ad spends, maybe targeted more towards candidates, which highlights some of these things? Or it's not necessary because candidates come to your platform anyway?

Hitesh Oberoi: Like I said, we are selling paid services to 2.7% of all our monthly active users on Naukri right now. There are a whole bunch of users still left to sell something to. This number was 1.5% one year, maybe four, five, six quarters ago. There's ample room to sell AI services and our AI offerings to more jobseekers on Naukri. We don't need to advertise for this purpose. We may want to advertise because we want more jobseekers on the platform. We want to grow our share amongst jobseekers, etc. That's a different reason, but not to sell these services.

Vijit Jain: Understood. Thank you so much and again, best of luck to you, Hitesh, and to everyone else. I look forward to seeing you guys soon again.

Anand Bansal: Thank you, Vijit. The next question is from Vivek from Ambit Capital. Vivek, go ahead and ask your question.

Vivekanand Subbaraman: Thanks for taking my call. Hitesh and Sanjeev, just a couple of questions on your transition. In the last one year, we've seen Chintan and Pawan go. Was it really necessary for you to step down at this juncture, given that the CBO role is also vacant? How are you thinking about filling these leadership roles? I heard Sanjeev's answer that internal succession is what he'll prioritize, but in terms of org structure, any thoughts that will help? A related question, Hitesh, for you. Now, as co-promoter, you still have 5% stake in the company. What's your medium to long-term plan regarding your equity stake as you transition away from day-to-day responsibilities?

Hitesh Oberoi: I have a lot more than 5%, but there is no plan, on that front, I remain financially and emotionally attached to the company. Subject to shareholder approval, I will continue to be on the Board. I am stepping down from my full-time operating role but not stepping away. The reason, I thought about it, it's not been an easy decision to make. Been doing this for 27 years. In my head, there were some goals which I had set for myself. This whole AI transition we've been going through for several years, we wanted to have a clearly articulated AI strategy for the company and in Naukri. I think we've done a fairly good job on that front. It's now there, at the back end and now in terms of products, which are generating revenue. I think we are sorted on that front.

Similarly, 99acres. It's been a long journey, and it's been a tough one to crack, but we made tremendous progress over the last couple of years, and we are now a clear leader, and we are generating cash, and the business's growth is actually accelerating. That gives me a lot of confidence that we've now got a second big growth engine in the form of 99acres. Jeevansathi, which several investors and analysts have encouraged us to shut down several times over the last couple of decades, also now is generating cash and is profitable. Along with Aisle, it is actually growing in the mid-20s and will, I'm sure, create a lot of value in the medium term. Of course, it'll never become as large as Naukri, but it will create shareholder value. Job Hai, which is strategic, more long-term, at least there we have product-market fit, we are monetizing, we are growing 80-90% year on year. That also, at least over a five-to-seven-year period, will get somewhere.

This, along with what Sanjeev mentioned, the fact that we have a very solid management team now. We have a whole bunch of people, senior leaders who've been around for more

than 20 years, and of course, a lot of young people, ambitious folks who joined over the last five or seven years, who want to make an impact, who want to make a difference. So very, very smart. Most of them are smarter than I am. Institutionally, we are much stronger. We have good management bandwidth, and that again gives me a lot of confidence. There is never going to be the right time. There's always going to be a lot to do. This is, unfortunately or fortunately, the business we are in. We will have new things happening every now and then, and every now and then, people like us start new businesses, and there's always stuff to do. But I just felt that this is perhaps the right time to move on, for the reasons I mentioned. Personally also, I would like to do something different and spend more time with my family and support some initiatives I've been involved in. That's why now.

Vivekanand Subbaraman: Okay. The other question is on the portfolio now. As far as recruitment is concerned, you have seen a good deal of verticalization, with not just the core product, but also a focused approach towards Naukri 360, then iimjobs, and of course, now you have PremiumX, Job Hai as well. In terms of each of these verticals now, you are essentially the market, right? You're defining how the market should grow. If you could help us understand now how you view the TAM, given the success of AI-Rex as well as increased scalability of the candidate services piece, Gulf, etc. If you can help through the TAM for the recruitment services market better, that'll help. Also, any further colour on Job Hai and where you can get, let's say, as an aspiration, in the next three to five years. Thanks.

Hitesh Oberoi: I've said earlier also, if you look at the market, if you want to segment the market into value, mid-segment and premium, the mid-market is where we've been very strong as a platform. But there's volume pressure there. All said and done, IT companies are not hiring as many people as they were hiring earlier. There's volume pressure there. The value segment is growing rapidly, thanks to growth in gig workers and delivery services and so many other things that are happening in that segment. Demand for workers and jobseekers in that segment is growing. This segment, of course is low value, but they're increasingly all online now. A lot of SMEs are also online. A lot of large enterprises are also hiring such workers. This segment will continue to be a growth segment for several years to come. Digital adoption is only getting started now.

We are seeing more demand for premium talent. In fact, premium jobseeker views on Naukri grew by 25% year on year in Q2. There's more demand, thanks to these new skills, AI skills, and thanks to new demand in sectors like manufacturing and several other things that are happening. There's more demand for high-end talent. Therefore, we have a three-pronged strategy. Try and grow our share in premium, which we are trying to do through iimjobs, Hirist, PremiumX, all the other things that we are doing. Value segment, Naukri can only do this much, but Job Hai, along with Naukri, can become really large. More AI and more tech to enable companies to hire more, even in the mid-segment. In the mid-segment, it's not as if 100% of all hiring happens through Naukri. Let's say 40% of all hiring happens through Naukri, or 50% of all hiring happens through Naukri. There, by deploying AI, by deploying AI-Rex, we can increase our share of hiring, and that can help us grow our wallet share from customers.

What we're also doing is we are trying to help companies with talent planning as well. We are trying to help them with assessments. We are trying to help them with recruitment software. HR tech and talent planning, like Talent Pulse is a huge hit. There are 750 companies now who use Talent Pulse. This kind of product is impossible for anybody else to offer, because nobody

else has the kind of data we have on salaries, talent and skills. Nobody else has it. We made it available on demand, on tap, to recruiters and comp and ben departments of companies, and usage is growing through the roof. What is the ultimate TAM of all this? I don't know. I don't know how big the value segment can actually become over time. If you look at Kanzhun in China, they do $1.2 billion. Maybe China's 20 years ahead. They work with 7 million businesses. In Naukri, we work with 150,000. In the premium segment, we have an option. One, the market is growing fast. Two, we are not the big daddy in premium. LinkedIn is very strong in leadership hiring. We are gaining share. There's a lot of runway for us in premium.

Then all these new categories that we are creating. Take for example, we work with 40,000 large and medium, mid-sized companies. If you can sell Talent Pulse to 8,000, 10,000 of them and get Rs.3-4 lakhs a year, that's a Rs.300-400 crores market opportunity. If we can take AI-Rex to 10,000, 12,000, 15,000, 20,000 companies, get Rs.2-3 lakhs per company over time, you can do the math. AmbitionBox, our social listening and employer branding platform, it's a new category we are creating. It's not as if companies were spending a lot of money on this earlier, but they're finding it useful. If 3,000, 4,000 companies end up using AmbitionBox over time at Rs.3-4 lakhs per annum, you get Rs.100-200 crores.

On the jobseeker side, we were till now, always very wary of pushing these jobseeker services to jobseekers, because they were mostly delivered by humans, hard to scale, and so on. With AI, one, we are able to offer them cheaper. Two, we are able to offer services we could not offer earlier. A lot of students and jobseekers say, can you help us prepare for interviews? We had no way of delivering that service. But with AI, we can offer it. We can offer it really cheap. Jobseeker agent, a very new thing, but good adoption. We have a three-year roadmap for Neo. We think we can do crazy things with Neo over time. If 10% of all jobseekers on Naukri start using paid services and they start paying us Rs.1,500 a year, I don't know, it's a large market. But we have to make these things happen. What AI has done is, it has opened up new market opportunities. Most companies are using AI to become more efficient. We are also doing that, and that's what is helping us keep our costs under control. But more importantly, we are big believers in using AI for innovation, for creating new products, for solving problems which could not have been solved earlier, for serving customer segments which could not have been served earlier, for entering markets which we could not have entered earlier. That's largely the focus of our product development and innovation team, and that's where we see the big opportunity in the long run.

Sanjeev Bikhchandani: I'd add that all these AI products you launched, with now Hitesh saying it's a Rs.240 crores run rate. If you'd asked him six months ago, " How much will it sell for?", he'd have said, "I don't know. We'll try it and we'll see what response the market gives, and then we'll figure it out."

You are limited by your imagination. You try various things. Some things work, some things don't work, and the market gets created. We are back to the year 2000, when we were into creating a market, as far as AI products are concerned. We have to wait and watch and see what happens. But obviously, there is significantly decent traction in what has been launched so far, which is why we are getting to a place where Hitesh is now saying it's a Rs.240 crores run rate. Now, where will it go? Can't say.

Vivekanand Subbaraman: Sure. This is really helpful. Thanks, Hitesh, for being so candid in sharing your reasons for departure. My last question is on 99acres. Given that you now have a very dominant share of traffic, is that helping you monetize builders and new launches also better, or is it still just the same secondary market, broker-dominated kind of franchise? Because when I look at the billings breakdown, not much seems to have changed on that front; two-thirds of billings is still coming from brokers. Is there any change in the market standing that you have with new launches and builders, and how you can monetize it now, thanks to your traffic leadership? Thanks.

Hitesh Oberoi: Let me just spend two minutes on this. At the heart of our strategy in 99acres is our leadership in resale and in the secondary market, because that's a problem Google and Meta can't solve. If you want to buy a secondary property, a property in the secondary market, if you want to rent a house, you have to come to us. That's what gets users to us. That's the flywheel. It takes time to develop this market. It's a market which perhaps did not even exist a few years ago. But now at least we've got 30,000 brokers on our platform, and they post a lot of listings. We've got them in every location, in every city, in every locality, in every micro-market, gets us the supply, gets us the traffic.

The new home market is also several markets. At the highest end is the new launch market, and then there's an under-construction market. Not every home gets sold at launch time and so maybe half the inventory, and it depends on the developer, it depends on the nature of the market. Hot markets are different from markets that are difficult to sell in. But not every home gets sold at launch time. Of course, every developer makes a big bang at launch time because they want people to know about the project. But let's say 40-50% of the inventory gets sold in the first few months, and then the rest gets sold over the next few years. A lot of buyers don't want to buy at launch time. They would like to see the home, and they would like to see construction and a lot of it before they buy. What happens when you get these buyers on your platform, because you have all the resale listings, you have all the other listings, is that many of them actually naturally also explore under-construction properties. Enough of them don't mind waiting for a year, year and a half to move in, if they get the right deal, in the right location, with all the right relevant amenities, and so on and so forth. As you gain share in the secondary part of the business, you also start gaining share in the primary market.

New launches are a slightly different ballgame. There, we are constantly working on improving our offering so that we become sort of like a destination site to look for new projects, which is why we launched 99Shorts. We started with NCR, and now we're taking it to other cities. We're making a lot of changes. If you go and check out 99acres today, you'll find that the new home experience is very different from what it used to be six, nine months ago. Because new homes need to be marketed. They're not listings. They can't be sold like listings, which is how we used to do it earlier. They need to be marketed like ads and like projects, which is how all this happens on Meta and Google. We're making a lot of progress in that area. Our traffic for new homes on the platform is growing. The responses we generate on the platform for new homes are growing 40-50% year on year. But we are still a tiny part of the market. That's where the opportunity is. If you can grow this part of the business faster than the resale and rental business, then it can become an even bigger opportunity than what it is today. We are making good progress in that area.

New homes are also sold through brokers. They're not just sold through builders. They're also sold through channel partners. Increasingly, we are seeing the market move more and more towards channel partners. Because what happens is, it's cheaper to sell through channel partners, because channel partners tie up with multiple developers, and therefore there's something to sell to everybody, unlike developers who may just have one project to sell at one point in time, and then the cost of marketing is very high, and so on. Our understanding of our business is that, as the business moves more and more towards channel partners, we work well for channel partners. Because you can be on 99acres through the year. You can list multiple projects. You keep getting responses, a bit like you get a few responses every day, and the ROI then starts to work for you. For developers, it's a little different, because developers sell mostly at launch time, and they go big bang. At that time, they put up hoardings, they put out newspaper ads, they advertise on Meta, Google, everywhere, and we get a small fraction. But as more and more business moves towards channel partners, that will actually play to our advantage as a platform. We are already seeing that in NCR. A lot of the home sales are through channel partners. In Mumbai and Bangalore, increasingly, we are seeing more and more business move through channel partners. That seems to be the trend, and that trend will work to our advantage in the long run.

Vivekanand Subbaraman: Okay. Thanks, Hitesh, again for your elaborate answers, and all the very best.

Anand Bansal: Thanks, Vivek. Next question is from Swapnil from JM Financial. Swapnil, go ahead and ask your question.

Swapnil Potdukhe: Hi, everyone. Thanks for the opportunity. My first question is with respect to the transition itself. Sorry to poke you on that again, but can you help us understand any potential leaders that you just talked about, that we should be looking forward to? Is this someone who is leading the existing businesses of yours? Should we look from that angle?

Hitesh Oberoi: I think we have existing leaders in place for our matrimony business. We have a business head for matrimony, we have a business head for Shiksha, we have a business head for Job Hai, we have a business head for 99acres. These people have been with the company for a very long time. They've been running these businesses, and they'll continue to do so. In Naukri, Pawan ran the business for several years. He left a few months back. We have a crack team in Naukri. There are people, somebody running marketing, somebody running sales, somebody running AI, somebody running product. These are people who are veterans. They've been around for a long time, and they're exceptionally good at what they do. So that's what we meant.

Sanjeev Bikhchandani: We're not in a position to identify any one leader right now, certainly not on this call. But those are internal matters we'll be reviewing in the next few weeks and months.

Swapnil Potdukhe: Got it. Now coming back to the business, especially the Naukri business. What I can see is that there was no growth in unique customers. I mean, that number was flat on a YoY basis at 46,000. On a QoQ basis also, there was a dip from 49,000. Anything to read on that?

Hitesh Oberoi: We've changed a lot of these small customers. There's an 80-20 principle at work in Naukri. The top 20% of the customers give us 80% of the revenue. Maybe the top 50-60% of the customers give us 97%, 98% of our revenue. We get a lot of customers who pay us Rs.1,000, Rs.2,000, Rs.3,000 a month, and they used to buy a single listing, and we had all kinds of these offerings on our platform. They used to buy mostly online. These sales used to happen online on the platform. We've changed our approach there a little bit. We've revamped our e-commerce offerings. In the process, we've also made them a little more expensive, but we believe they will deliver more value and result in better outcomes for our customers and higher renewal rates over time. I would not read too much into that. Our e-commerce revenues are up, but the number of customers who are buying has gone down a little bit.

Swapnil Potdukhe: Did I hear you right, that currently there are 2,000 enterprises who are using AI-Rex, and the potential pool of customers where you can take this will be around 40,000 enterprises?

Hitesh Oberoi: There are 2,000 customers who are using AI-Rex. Not all of them are large enterprise customers. Many of them are small consultants as well. Potentially, we should be able to sell AI-Rex maybe 40,000, maybe 60,000-80,000 customers over time. Most customers who are currently using AI-Rex are trying it out. They are small customers. They are not spending tons of money on it, because they want to sample it, they want to try it out, they want to see whether it makes a difference to their hiring outcomes. Our goal is to drive, one, more penetration, and two, more adoption, and then get them to sort of buy more over time.

Swapnil Potdukhe: Potentially, if everything goes right, your AI revenues from these customers will only keep on increasing.

Hitesh Oberoi: Provided, provided the ones who are using it right now renew it next year, and then it'll go on growing.

Swapnil Potdukhe: Just one thing on your Job Hai revenues also. Is there any meaningful change to talk about over here? Will it be fair to say that the drag on your margins, the recruitment margins, is roughly around Rs.15-20 crores a quarter because of Job Hai investments that you're doing right now? Potentially, as and when Job Hai breakseven, this could add to your overall margins. So, 59% margins can go potentially to at least 62%, if not more.

Hitesh Oberoi: Job Hai billings last year were close to Rs.15 crores. This year, we are targeting 100% growth in Job Hai. Let's see where we end up. Job Hai burn is around Rs.45 crores a year right now. It takes away, I think, about 2-3% from our margin at an overall level in Naukri. If revenues keep ramping up like we expect them to ramp up, then I don't see the burn going up. Our internal calculations show that we can break even at about Rs.100-125 crores of topline in Job Hai. But it may take a couple of years to get there.

Swapnil Potdukhe: Got it. Very useful, Hitesh. Thanks a lot for answering my questions, and all the best.

Anand Bansal: Thanks, Swapnil. Next question is from Gaurav from Axis Capital. Gaurav, go ahead and ask your question.

Gaurav Malhotra: Hitesh, a little surprising to see you leave. Sanjeev, just wanted to understand, you are becoming the Group CEO as an interim arrangement, and then you will be looking at external options, or are you full-time?

Sanjeev Bikhchandani: There has been no such conversation on the Board right now. Having said that, I'm 63 years old. I cannot continue for 20 years. That isn't happening. But let me go in, let the situation stabilize, and then let's see what happens.

Gaurav Malhotra: Thank you.

Anand Bansal: The next question is from Kunal from Banyan. Kunal, go ahead and ask your question.

Kunal Thanvi: Thanks for the opportunity. Hitesh, thank you for what you have done all these years. As shareholders, we have appreciated the way you created the company along with Sanjeev, and the kind of value you've delivered. Really happy to see where Naukri is today, especially when this transition of AI happened. All the best to you for your future endeavours, and we hope that you are glued to the strategy the way you are, for many years to come. Just one surprising bit, because when we have looked at Naukri for so many years, you guys have planned much ahead of time for everything. Like AI, you've been investing three years prior to when AI became the big thing. In this case, we were surprised to see that we have not groomed a CEO, because, as Sanjeev said, because of his age, he will not be able to be there for the next decade or so as the MD and CEO.

Sanjeev Bikhchandani: I said 20 years.

Kunal Thanvi: Sure. That was one slight observation, that unlike the way we have seen you guys in terms of the business planning, that you've always been ahead of the changes in the industry, etc., this time around, in this particular decision, we have not seen that. It came abruptly to us. Perhaps you guys have done it internally; we are not sure about that. That was on your transition, if you can throw some light on. On the business, just one question on Job Hai. Can you spend some more time in terms of competitive intensity there and our progress from last year? You spoke about something about it in the last comments, but can you go more deeper on Job Hai? Is it really a large opportunity? Can it be really profitable the way the core platform is? Also, if you can touch upon the frequency of the usage of that service by the jobseekers and the employers, it will be helpful. Thanks.

Hitesh Oberoi: Firstly, Kunal, thank you for your confidence in us and for your support over the years. The reality of life is it's very hard to find people outside the company who are smarter than the people we have inside the company, and people who are smarter than Sanjeev. We are managing; so that's where we are. For many years, Sanjeev has given me a tough time, and it's my turn now to give him a tough time on the Board. Just jokes apart. But we have groomed a lot of people over the years, and I think they need to get a chance. I think they will get even more empowered, and they will get even more space to operate with time. We've always believed in creating this culture where we are not hierarchy-driven, but more

ideas-driven, data-driven. That continues to be the DNA of the company. The leadership issue will sort itself out, in my view, over time.

As far as Job Hai is concerned, it's not a very large market today, and it's unlikely to be a big market in the next three, four years. What we can see is that it's a huge market in terms of volume. It's growing fast. It's slowly moving online. These are early days, but it's strategic for InfoEdge. It can potentially be a very large market, but over a 5-10, 7-8 years period, not over a two-three years period. Like with every internet business, it takes eight, ten years to get anywhere. If you don't get in early, then you'll have other players who will take the market away from you, and then it's very hard. I gave the example of China, but China is so large that it's very hard to compare with China. But in China, Kanzhun is a very, very large player. I think if we can get to even 30% or 20% of Kanzhun's size in the next five, ten years, it will be a big achievement. It is strategic, it's important, and we need to be in this space. As it scales, it'll be possible to make money. I don't know what the ultimate margins will be like. But like I mentioned earlier, at Rs.120-130 crores a year, it should be possible to break even, and after that, there will be operating leverage even in this category.

Kunal Thanvi: Perfect. Thank you, and all the very best to all of you. Thanks.

Anand Bansal: Next question is from Vibhor from Nuvama. Vibhor, go ahead and ask your question.

Vibhor Singhal: Thanks for taking my question. Hitesh, I wish you all the best for your future endeavours. Just two quick questions from my side, on the business side. In the IT segment, we have seen a decent growth of around 9% this quarter, and it's kind of been there with the high single-digit growth that we have recorded for over the past four or five quarters also. Now, given that most of the IT companies are literally not hiring, and if I look at the top tech companies, net headcount addition is barely in low single digits, some are even flat and negative as well, do you believe this mid-to-high single-digit growth in the IT segment is sustainable? If yes, then where is that confidence coming from? Similar question on GCC. Very strong growth in GCC, and we've talked about this before in our calls as well. How do you see the pipeline in this GCC segment in terms of maybe new GCCs opening up, or the current GCCs expanding their scope of work, which probably will lead to incremental demand? Will this high-teens growth in GCC also be expected to continue?

Hitesh Oberoi: A very difficult one. You're absolutely right that IT companies are not growing headcount by a lot. They are mostly replacing the people who are leaving. Hiring activity has picked up a little bit, but not by that much, and it's nowhere close to what it used to be. We continue to be the most efficient way to hire for IT companies. Normally, what we have seen in the past is that whenever there's a slowdown, companies tend to cut channels which are more expensive. Which is why, if you look at our revenue growth from consultants, that has slowed down actually. Our revenue growth from consultants was 5% in H1, and some of this growth came because of AI-Rex. Otherwise, it would have been maybe 2-3%. I'm assuming we've lost clients who used to work primarily for IT services companies. IT services companies, maybe they find us more efficient, so they are insourcing more and more hiring. Now, can we sustain this growth rate? It'll depend on what hiring in IT services companies is like going forward. If it accelerates, then our growth rates should improve. Not only will our growth rate with companies improve, but our growth rate with consultants will also improve.

As far as GCCs are concerned, there are the smaller GCCs, there are the mid-sized ones, and there are large ones who set up shop many years ago. The large ones are fairly large. Some of the largest GCCs have 30% of their global workforce in India. Now here, if something happens to these companies in the US, the Indian GCCs also get impacted. If there's a big layoff in the US, then there's a very high chance that people get laid off in India. What has been happening with GCCs is that we are growing faster with the mid-size GCCs, the smaller GCCs, because they're still small. They're still setting up shop in India. Maybe just 2% or 3% or 4% or 5% of the global headcount is in India. Maybe this can go to 10%, 15%, 20%, 30% over time. There's a lot of headroom for growth, and they don't get impacted by what happens globally. With the larger ones, it's hard to say. Like Oracle laid off people in India recently as well. We've been growing in the teens with GCCs. Number of GCCs is growing in India. Many existing GCCs are setting up more centres. With them, we'll continue to grow. But I can't be sure of what will happen with the larger GCCs. Let's see how this plays out.

Sanjeev Bikhchandani: I'd like to add something. You see, when a company sack 2,000 and hires 2,000, what shows up to you is net addition zero. But they've actually hired 2,000, and for that hiring, they will use us. What is happening is you're letting go of one skill set and hiring another skill set, because the demands of clients are changing. If you are shifting base towards IT-oriented or AI-oriented sort of hiring, you will hire some people and you'll fire some people. Net could be zero. For hiring of people, you will still use us.

Vibhor Singhal: Basically, we don't get impacted by the firing part, but we definitely benefit from the hiring part.

Sanjeev Bikhchandani: We are hiring business, not the firing business.

Vibhor Singhal: Got it. Thanks for taking my questions and wish you all the best.

Anand Bansal: Vineet, that was the last question we had for the day.

Vineet Ranjan: Thank you, everyone, for joining. Maybe we can conclude this call. Thank you, Hitesh. Thank you, Sanjeev.

Sanjeev Bikhchandani: Thank you, everyone, for taking the time out.