

April 23, 2025

To

BSE Limited PJ Towers, Dalal Street, Mumbai - 400001 <i>Scrip Code: 535648</i>	National Stock Exchange of India Limited Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051 <i>Trading Symbol: JUSTDIAL</i>	Metropolitan Stock Exchange of India Limited 205(A), 2 nd Floor, Piramal Agastya Corporate Park, L.B.S Road, Kurla (West), Mumbai - 400070 <i>Scrip Symbol: JUSTDIAL</i>
---	---	--

Dear Sir/Madam,

Sub.: Transcript of Earnings Call on Financial Results for the quarter and year ended March 31, 2025

In continuation of our letters dated April 15, 2025 and April 21, 2025 and pursuant to Regulation 30(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the transcript of the Earnings Call held on Monday, April 21, 2025, at 6:00 p.m. for discussing operational and financial performance of the Company in the quarter and year ended March 31, 2025 and the same is available on the Company's website at <https://www.justdial.com/cms/investor-relations/earnings-call-transcripts>

The earnings call concluded at 7:03 p.m. on April 21, 2025.

We request you to take the above on record.

Thanking you,

Yours truly,

For Just Dial Limited

Manan Udani
Company Secretary

Just Dial Limited

CIN NO: L74140MH1993PLC150054

Registered & Corporate Office : Palm Court Building M, 501/B, 5th Floor, New Link Road, Besides Goregaon Sports Complex, Malad West, Mumbai - 400064

Tel. : 022-28884060 • E-mail : investors@justdial.com

Mumbai, Delhi, Kolkata, Chennai, Bangalore, Pune, Hyderabad, Ahmedabad, Coimbatore, Jaipur and Chandigarh

☎ 088888-88888 | www.justdial.com



“Just Dial Limited
Q4 FY '25 Earnings Conference Call”
April 21, 2025



MANAGEMENT: **MR. VSS MANI – MD & CEO**
MR. ABHISHEK BANSAL – CFO

Moderator: Ladies and gentlemen, good day, and welcome to the Just Dial Limited Q4 FY '25 Earnings Call. At this moment, all participants are in the listen-only mode. Later, we will conduct the question-and-answer session. At that time, you may click on the raise hand icon tab to ask a live question. Please note that this conference is being recorded.

We are joined by Mr. V. S. S. Mani, MD and CEO; and Mr. Abhishek Bansal, CFO from the management of Just Dial Limited. I now hand the conference over to Mr. Abhishek Bansal, CFO, Just Dial Limited. Thank you, and over to you.

Abhishek Bansal: Thank you, moderator. Hi, everyone. Welcome to Just Dial's earnings call for fourth quarter of fiscal '25. Our operating revenue for the quarter stood at INR289.2 crores, witnessing 7% year-on-year growth. Operating expenses were well controlled and grew only 1.7 % year-on-year. Employee expenses were only marginally up 0.9% Y-o-Y and other expenses were up about 7.5% year-on-year. Consequently, we had a very healthy 29.8% EBITDA margin for the quarter with absolute EBITDA at INR86.1 crores, growing 21.9 % year-on-year.

Operating PBT stood at INR70.9 crores, growing 26.5% year-on-year. Advertising spend for the quarter stood at about INR7.2 crores. Other income stood at INR108.7 crores, which was up 19% year-on-year; one, due to decline in yields during this particular year; and second, higher levels of treasury.

Effective tax rate for the quarter stood at 12.2%, which is lower in this fiscal at overall 12% due to reversal of deferred tax on part of our treasury, moving from short-term bucket to long-term bucket, basis 2-year holding period in current fiscal year. Profit after taxes for the quarter stood at INR157.6 crores, growing 36.3% year-on-year.

For full year FY '25, our revenue witnessed 9.5% year-on-year growth and EBITDA grew about 55% year-on-year. EBITDA margin stood at 29.4%. Operating PBT at INR277.6 crores had about 72% year-on-year growth. And at PAT level, we delivered INR584.2 crores, growing 61% year-on-year.

While effective tax rate was lower at 12% in fiscal '25, as I just explained, it should go back to 20%, 21% levels in current fiscal, fiscal '26. After witnessing lower growth in first 3 quarters, collection had a decent 11.3% Y-o-Y jump to INR340 crores in March quarter, which is seasonally strong quarter for us. Consequently, deferred revenue stood at INR558 crores as on March '25 and was up about 10% year-on-year.

Active paid campaigns at the end of the quarter stood at about 613,290 campaigns, which was up 5.1% year-on-year. Overall, cash and investments stood at INR5,279 crores as on 31st March, growing about 14% year-on-year.

Coming to traffic. Traffic trends have been healthy. We had 191.3 million quarterly unique visitors, growing 11.8% year-on-year. Mobile traffic, which forms 87% of our traffic witnessed about 15% year-on-year growth. Total listings now stand at 48.8 million, growing 11.9% year-on-year.

Overall, as we evaluate the year, we had started the year with aspirations of growing our top line in mid-teens kind of number and EBITDA margins of 25% plus for full year. Our performance shows that while top line growth could have been better, it was still decent in current macro environment, and we have comfortably overshoot on our margin targets.

Our focus last year was to ensure that we grow our operating profits healthily, which shows in our 72% operating PBT growth. In terms of our monetization strategy, we have tried to optimize on our sales team by reducing the team that works on cold calling merchants and replacing the same with team that works on qualified leads of interested customers. As a result, productivity is much better.

For current year, focus shall be to stay efficient and work towards accelerating top line growth, which we believe is very much achievable via initiatives such as; one, advertising both for users as well as merchants, which will result in more traffic, higher user engagement and better prospects for our sales teams; and secondly, also via adequate price increases in underpriced categories and geographies.

With this brief update, we shall now open the floor for questions and further discussion. Over to you.

Moderator: We will take our first question from Vivekanand Subbaraman from Ambit. Please go ahead.

Vivekanand Subbaraman: Abhishek, my question is on the collections growth. So, the trajectory of collections as we saw through the year has improved materially in the fourth quarter. And you said that you have taken several initiatives to enable this. Could you elaborate a bit more and help us understand your goals for fiscal '26? And what is achievable in terms of collections trajectory with the current cost structure? That's question one.

Secondly, do you have any specific targets set for headcount addition now that you seem to be back in the hiring market to get more feet on street and sales staff? Last question is, 6 months ago or about 9 months back when you had done an earnings call, you had given some guidance on potential cash return. Is there any update on that? Thank you.

Abhishek Bansal: So, Vivek, coming to your first query around collection growth in 4Q. So, yes, collection growth has picked up from 6%, 7% kind of levels to 11% plus in fourth quarter. So fiscal '25 when we started the year, so first 2, 3 months, we felt that collections were probably not keeping pace partly due to maybe impact of elections etcetera. And then, by the time we came into third quarter expecting a material pickup, we entered into festive season, which again tends to be a bit weak period for us.

So, the desired pickup due to all the initiatives that we were taking in terms of having more of our telesales working on qualified data rather than cold calling customers, the productivity of a telesales person working on a qualified data is almost 2.5x, 3x of someone working simply on a cold calling basis. So, some of those initiatives bore fruit in 4Q and which is what resulted in this better growth.

Coming to our goals for fiscal '26, the way we are looking at it is that, as I mentioned in my opening remarks, like last year, we had kept targets of growing our top line by sort of mid-teens and 25% plus margins. On one parameter, we fell a bit short and margins comfortably, we were at 29% plus versus 25%. So for fiscal '26, our endeavor will be that even at similar level of margins, we would want to accelerate our top line growth.

Having said that, there is a significant operating leverage that we have in our business. My gross margins are about 55%. So, even by deploying additional money in advertising or maybe even manpower, if need be, I can still maintain my margins, at the same time, try to accelerate my top line growth.

Coming to your query around targets for headcount. So one thing that we have realized over last 6 to 8 quarters is that instead of simply thinking that, okay, more number of people could fetch us better revenue, the way we are operating is that keeping our sales team optimized. So, few quarters back, as we had mentioned that the bottom 10%, 20% of the sales team where the productivity was much lower, we had tried to rationalize the same. And in recent quarters, we have almost eliminated our cold calling telesales team.

So, the same set of merchants, we are reaching firstly via advertising, trying to generate leads of those merchants who are interested and then working on that particular data. So that gives us much particular output without the increase of operating expenses.

Regarding your third question on guidance on cash return. So, at this point of time, this particular agenda on returning cash via, say, dividend has not been taken up. We expect the same to be taken up sooner, most likely by next quarter, hopefully, we should be freezing on a proper capital allocation policy via most likely by dividend because that is a more tax-efficient way rather than buyback at this point of time.

Vivekanand Subbaraman: Just a couple of small follow-ups. So, you have guided for maintaining margins while accelerating top line growth. Do you still believe that you can go back to your original mid-teens aspiration, let's say 12%, 13% billing growth or rather collections growth, therefore, top line growth? That is one. And second one is bookkeeping, which is the mix of campaigns by top 11 and revenue mix.

Abhishek Bansal: So, Vivek, on the question around whether mid-teens is possible or not, definitely, it is possible. There are multiple levers that I can use either via higher manpower or simply via higher advertising. But from day 1, we are very clear that growth not just in top line, but at operating profitability level and sustainable basis kind of growth. So, I don't want to be in a situation that, okay, I'm growing my top line at 15%, but my operating profits are growing at 5%, 10%.

So, from that perspective, we want to be clear like this year, as you can see in all the quarters, our EBITDA levels have grown by a very healthy 50% plus levels. So, for next year also, the thought process is that margins are very much in our comfort zone. Incremental margins should be deployed to accelerate top line growth in an efficient manner.

And to your query around split of campaigns and revenue, so top 11 cities contributed about 56.5% to revenue. And by volumes, their share was about 40%.

Vivekanand Subbaraman: Okay. This is for the full year, is it or fourth quarter?

Abhishek Bansal: This is for fourth quarter.

Vivekanand Subbaraman: Okay. Would you have the number handy for the full year?

Abhishek Bansal: So, I have the number for same quarter last year. So, 56.5% contribution was about 58%. And by volume, it was, say, 50 basis points higher at about 40.5%. So in last 4 to 6 quarters, revenue share of top 11 has been coming down a bit, but volume-wise, there hasn't been that much material change.

Moderator: We'll take our next question from Pratik Kothari from Unique PMS. Please go ahead.

Pratik Kothari: Yes. Hi, Abhishek. Sir, couple of questions. One, this levers that we speak about, the feet on street or ad spends, I mean you'll have in your assessment, I mean, is it a direct correlation between increasing one to seeing a better collection or more ad campaign? So, is it that people are not aware of the benefits of this, which we kind of put out via ad spends and hence this better collection? And if yes, I mean, why didn't we do this for this year?

Abhishek Bansal: So Pratik, when I mentioned that there are levers, what I meant to say was that growing the top line just via brute force in terms of either increasing operating expenses on employee expenses or advertising can be a short-term strategy.

But for our kind of business, it's a sustained level of advertising that tends to help in the sense that once I advertise more, my merchants realize that they get more number of inquiries, more visibility from the platform, that helps me get more customers and even better pricing from the same customer next time. So, from that particular perspective, these particular levers have to be sort of looked at in a calibrated manner.

Pratik Kothari: Correct. And just to clarify, you mentioned that we want to benchmark our margins at this current 29%, 30%-odd levels and incrementally what we make, because of operating leverage, will go back in spending here.

Abhishek Bansal: So, as I mentioned, see, for us, whether margin is honestly 28%, 29% or even 31%, 32%, it doesn't matter that much because the idea is that overall EBITDA should grow on a sustainable basis. And as all of us know that costs can drive my EBITDA only to a certain extent. So, if need be, advertising anyway is a very small proportion of my spend, say, 2.2%. if need be, I will step it up to 3.5%, 4%. Prior to fiscal '20, we were even at 6%, 7% kind of levels.

So, there is no specific thought process around maintaining margins at a particular level. Yes, 25% plus, I definitely want to be. 29%, 30 % is what I have achieved in the past as well and in recent years. So this margin level is very much in the comfort zone. The next thought process is to accelerate top line growth.

Pratik Kothari: Correct. And then, we have not ramped up the sales team, which we had expected at the start of the year. We intended to take it up to 10,500 employees, add about 700, 800 employees this year, which we have not. So this would be -- what would you ascribe this to?

Abhishek Bansal: Okay. So, within our sales teams, there are broadly 2 teams. One is the telesales team, other is the feet on street team. And within these two teams also, there are two teams. One is the hunting team which gets me new customers. Other is the farming team, which works on upgrading existing customers, renewing customers and so on. Now, within the hunting team, there is a way to either do cold calling to merchants the way some of us or many of us receive calls for, say, loans or credit cards, etcetera.

The effectiveness of that particular prospecting is much lower, whereas if a merchant has shown interest that they want to know more about Just Dial's plans, because I reached out to them via other digital advertising platforms, then the productivity is 2.5x, 3x higher, so via this we have reduced our dependency on cold calling teams and increased manpower in teams that work on qualified data. As a result, we were able to manage current output without the increase of a sales force.

Pratik Kothari: Correct. And on the dividend, again, it's been -- I mean, I take your point that we should have one by next quarter, but 9, 10 months is, I mean, long time. So I mean, where is this getting stuck? Just to understand.

Abhishek Bansal: So, firstly, honestly, it's not that I have mentioned that by next quarter, we will definitely have it. The point is that we have put this up to the Board as well as our parent. Yes, I acknowledge that there has been time to crystallize this particular policy. But as soon as it is done, we will keep everyone posted. And we expect the same to happen sooner than later.

Pratik Kothari: Correct. And on similar lines, anything further you would like to share in terms of strategic guidance per se from Reliance, how do they see us as part of the larger picture? Anything further from the last time we spoke?

Abhishek Bansal: So, basis our discussions with the parent, they see that operating core business is high free cash flow generating. There are options possible. But as things have panned out, not just in India, even globally in last 12 to 18 months, people, in general, are focusing on businesses with positive unit economics, businesses with high returns on their core investments, etcetera. So, for us, the objective is to grow our top line as well as profitability for core business on a sustainable basis.

And lastly, once there is a proper capital allocation policy in place, the, so to say, concern around the excess cash on balance sheet also should stand addressed sooner.

Pratik Kothari: And then, lastly on this con call, I mean, how should we expect the frequency going forward?

Abhishek Bansal: Okay. So, I was expecting this particular question as well. So last 2 quarters, no specific reason for not doing the con call. It was simply that we were focusing on plans that we had mentioned at the end of Q1, and there was no material shift in our strategy.

Secondly, most of our data and numbers anyway were released as part of our presentation, and we are anyway very much accessible. Having said that, this is the feedback that we have received in this particular time. we will keep these con calls as a regular affair going forward.

Pratik Kothari: So quarterly?

Abhishek Bansal: Yes, quarterly.

Moderator: We'll take our next question from Swapnil Potdukhe from JM Financial. Please go ahead.

Swapnil Potdukhe: So, the first question is on your capital allocation policy. So, you mentioned that there could be some movement sooner than later. My question is pertaining to -- will you stick to the earlier thought process of sharing 100% of whatever PAT you generate in a year? Or there could be some changes on that thought process also?

Abhishek Bansal: So, Swapnil, until the policy is actually crystallized, difficult to say that. Having said that, as we have mentioned in the past, that is our proposal even at this point of time.

Swapnil Potdukhe: Okay. And will it be fair to say that we can expect something around your AGM? Or should we -- or it will take some time for you to crystallize the final format?

Abhishek Bansal: So, we are expecting that probably in next quarter or around that time, this could get finalized in discussion with our parent. So, as I mentioned, as soon as we have clarity on the same, we will provide. Difficult for me to pinpoint and say that we have already decided that at this point of time, we'll decide this. So that's not the case currently.

Swapnil Potdukhe: Got it. So coming to the operational part. So, any change in your contribution from B2B businesses? I mean it used to be around 26-odd percent to your total revenue. Has there been any improvement on that side, roughly?

Abhishek Bansal: So, the B2B revenue contribution for last quarter stood at about 26.5%, so not material change. Having said that, B2B traffic definitely is gaining share. It was about 15%, 16% of our overall traffic till say, about 3, 4 quarters away. That stands closer to 20% at this point of time.

Swapnil Potdukhe: Okay. And apart from -- so what I noticed is like your collection per campaign, if you try to do that math, it seems to have increased materially in this particular quarter. And that was partly - - that along with your volume growth partly led to your double-digit growth in this particular quarter, and that was a challenge in the previous 3 quarters. Will that be a fair assessment? And a related question to that, like how -- will that be sustainable if that is the case?

Abhishek Bansal: So, see, from our perspective, the way we look at collections, honestly, is that I sell both upfront payment listings as well as monthly payment plan listings, though the composition has not materially changed. But if it were to change, then it can temporarily affect collections, though it does not affect accrued revenue, whether INR2,000 per month is paid in 12 installments or it is paid in 1 shot, the accrual remains the same.

So, in case we adopt an aggressive monthly plan strategy, which is what our assessment is that has worked well for us in the past because it helps in better realization per customer, better retention, then even if collection grows maybe few hundred basis points lesser, it will still result in more number of customers and better accruals.

Swapnil Potdukhe:

Okay. But any particular measures that you would have taken to increase your realizations, overall realizations per se and that would be working for you and -- in next 1 or 2 years?

Abhishek Bansal:

So, one thing that we have done is, and we are in the process of doing as we speak. So, we have 2 types of listings; one is the premium listings, other is the non-premium listings. In premium listings, you basically get the top fixed positions in any search. Those were always priced customized to the keyword and geographies that the merchant was opting for. So a spa in Malad West has a different pricing versus a spa in Mira Road and so on.

In non-premium listings, pricing was mostly customized at geography level. A price in Mumbai, the entry level would differ from a price in Hyderabad, but that entry level used to be same across keywords. We have now made that as well dynamic, because we realize it's not fair to charge same INR2,000 per month to a grocery store versus INR2,000 per month to, say, a real estate agent.

So that customization is going to, I think, help us overall itself because non-premium revenue contributes about 50% of our revenues. So the dynamic pricing there should help us in this and future years.

Swapnil Potdukhe:

Okay. And just one last one on your traffic growth. Now for the last 3 quarters, it has been around 12%, 15%. Would it be fair to say that you might want to increase some A&P spends to support this growth in the foreseeable future so that you stay at this current run rate, which ultimately helps your business from a volume growth perspective?

Abhishek Bansal:

So, traffic growth, if you see the headline number, comes to around say 11.8%, but the most relevant component is obviously the mobile traffic, the 87% component. The 87% mobile traffic is growing at about 14.5%, 15% level with, say, around INR6 crores, INR6.5 crores ad spend on user-related campaigns. So, it's in a comfort zone. If need be, yes, definitely, A&P spends can be stepped up to support our traffic growth.

Swapnil Potdukhe:

And where would this A&P spends be? I mean, what would be the nature of these spends, just to get an idea?

Abhishek Bansal:

So, largely, we have been doing digital spends. But, if need be, this year, we could do certain branding related or non-digital spends as well as we have done in the past, say, opting for multiplex advertising or any such similar mediums.

Moderator:

We'll take our next question from Darshil Jhaveri from Crown Capital. Please go ahead.

Darshil Jhaveri:

Firstly, congratulations on a great set of results, sir. I think focusing on more -- a better margins has really helped us. So, just wanted to now know that we are speaking a bit about price hikes that -- in the underpriced category. So, what kind of price rise that we can see for

our services, and how much will that contribute for a top line growth, sir? Is it fair to say that we could have kind of a low-teen, mid-teen type of growth in revenue?

Abhishek Bansal: So, Darshil, as I mentioned earlier as well, our aspiration is to accelerate our revenue growth from current levels to mid-teens kind of number. And in the past also, we have always wanted to have half of our growth materialized from volume additions and rest half from price increase. And a 12% to 15% traffic growth also supports that 7% to 8% kind of overall blended price increase. Obviously, price increases vary by geography, by categories, but that's the endeavor that half of the desired top line growth to materialize from the realization increase component.

Darshil Jhaveri: Okay sir. That's great to know, sir. And sir, just wanted to know like any kind of another -- additional services that or new vector that we are planning. A lot of these customers can, you know, maybe have a use of AI or something else -- something on those lines are we thinking about, sir?

V.S.S. Mani: Yes. We are thinking of online shopping for which probably next quarter, you'll get a flavor of it, which is pure online shopping site.

Darshil Jhaveri: Okay. So on the terms of, it will be similar to Amazon Flipkart, right? On those terms, right?

V.S.S. Mani: No. Amazon/Flipkart, so basically the, here the traffic directs to -- there are about thousands of Internet-enabled businesses, which have a robust online presence. So, we are trying to marry with those sites and give you a wow experience. The experience could be slightly better than what you see in Amazon and all in terms of cataloging and all that. But in terms of your buying pattern is you have to go and buy on the third-party website. Something like what you see on Facebook Insta and...

Moderator: We'll take our next question from Vijit Jain from Citi. Please go ahead.

Vijit Jain: I have two questions. So, one, Abhishek, your earlier comment where you said the revenue spread between tier -- top 11 cities and others. So if I look at that data, so essentially, outside the top 11 cities, your revenue grew 11% this quarter and your traffic growth overall is 12% to 15%.

So in general, is the A&P spend in F '26 going to focus more on Tier 1 cities outside the brand spending that you aim to do? Because there, obviously, it seems like the revenue growth in the quarter was about 4% Y-o-Y. So that's my question number one. Will that be the place where your A&P spending will go?

Abhishek Bansal: So, Vijit, in terms of our A&P spend, see our revenue base is highly diversified both in terms of geographies as well as categories. For example, top 1,000 keywords that I have covers say about 65% of my revenue. Now when I'm doing digital advertising, that advertising tends to be customized at each keyword level.

Then again, even in terms of geography, we are present in 200-plus cities. So all the Tier 2, Tier 3 cities put together contribute about whatever, 43%, 44% of my revenues. So, our A&P spends tend to be spread out both in terms of geographies as well as in terms of categories.

Vijit Jain: Right. So, it's -- you're not necessarily looking at shoring up or diverting more of those spends towards the top 11 cities necessarily then?

Abhishek Bansal: So, see Tier 2, even at this point of time, it's not that my -- I will have to check what is the split of our A&P spends between Tier 1 versus Tier 2, Tier 3. But broadly, in our overall traffic, 45% of our traffic broadly comes from Tier 1 cities and about 55% from Tier 2, Tier 3 cities. So we do adequate advertising in Tier 1 cities as well. Just that Tier 2, Tier 3 cities, in terms of realization, they are half of Tier 1. And so there is significant room for Tier 2, Tier 3 to catch up to Tier 1 levels.

Vijit Jain: Got it. And my second question, Abhishek, was -- so when you earlier said that B2B contribution was last quarter at 26.5%, roughly same as earlier, but the traffic has grown. So, in terms of where you would add headcount in FY '26 to add more paid campaigns, would it be more directed towards this B2B side where obviously you're getting the traffic and possibly headcount could help with the campaign's growth, given the traffic is improving quite materially?

V.S.S. Mani: So, improvement of traffic should help us in the first step as better realizations for our B2B campaigns. So, our B2B campaigns are, say, around 15% higher realization versus our B2C campaigns. But ideally, they can be much higher. So, in the first step, our idea will be to get better realizations for B2B side of revenue growth.

Vijit Jain: Got it. And in general, on the B2B from a sales fleet side, right, both tele-calling and feet on street, do you need any different skill sets, any different trainings for them to get better results? Or is it pretty much same as on the B2C side?

Abhishek Bansal: There tends to be some difference because B2C-related categories are the ones which any entry-level salesperson can easily relate to; your dentists, real estate agents, packers and movers, etcetera. But when it comes to B2B, say, hydraulic crane or industrial equipment, etcetera, you do need some bit of knowledge that needs to be imparted, which we do as part of onboarding that we do.

So there is a dedicated B2B team also that exists. And for employees who are, say, already 1 year into the system, they have met customers across categories that they broadly become aware. At the same time, the software that they use, we ensure that all that required information is very much fed into the software itself so that even if there is some particular business that they come across which they are not fully aware of, the software guides them through that.

Moderator: We'll take our next question from Vedant Sarda from Nirmal Bang Securities. Please go ahead.

Vedant Sarda: Abhishek, in the last con call, it was communicated about data regarding retention of customers who discontinues our services for 1 to 2 quarters or a year and then they come back again to avail services. So, any percentage numbers of those customers?

Abhishek Bansal: So, Vedant, on a 1-year basis, meaning if 100 customers sign up today, then how many go into year 2, say, 1 year down the line? Broadly, that number stands at about 60%-odd, which historically used to be closer to about 55% and the improvement has been because of higher focus on monthly payment plan campaigns. So since there hasn't been much of a shift in this particular composition over last 2, 3 quarters, I believe retention rate should be similar.

Vedant Sarda: Okay. Like the 40% who have left, so how many of them again avail services? Percentage of that figure.

Abhishek Bansal: So, the way it usually works is that out of 40%, a certain percentage is due to business mortality itself. And secondly, in case of our subscriptions, it's not that if a customer has not renewed immediately after 1 year, they have churned out for life.

So in several cases, they might pause their campaign or not renew for a quarter, then they might come back again. There are certain customers who may not have done advertising for 1 or 2 years, they come back again into the paid ecosystem. So, that is how typical SME behavior is.

Vedant Sarda: Exactly. So like you said, they have paused their services for 1 year or 6 months. So the percentage of that customers who are continuing again for a long time, any -- that data?

Abhishek Bansal: We will have to check that. I don't have that handy at this point of time.

Vedant Sarda: Okay. And actually in the last con call the same was asked.

Abhishek Bansal: So, you could connect with us, separately, and we will definitely provide.

Vedant Sarda: Okay sir.

Abhishek Bansal: Yes, Mani, please go ahead.

V.S.S. Mani: No, I mean this is something which keeps happening in any kind of advertising platform, people come in and get out and then come in. There is no such thing as a final goodbye, never again types.

So, our platform is no different. So -- otherwise, in so many years, we wouldn't have grown our number of paying customers from paltry 1,000 to -- now to 500,000 and above. So, this is not a -- truly a churn. Like Abhishek said, mortality of companies is not in our hands and that definitely if the business is shut, then it's shut forever.

The other thing is the people who get in and get out, that is the nature of behavior. Some people are very smart in playing the season. Their business is seasonal, so they'll try to spend more money during the season and lie low during off-season. So these are there.

- Moderator:** We'll take our next question from Keshav Garg from Counter Cyclical PMS. Please go ahead.
- Keshav Garg:** Sir, first, I wanted to share some feedback, sir, what I have understood and what I've heard from others who are using Just Dial. Sir, many of the search numbers are defunct that the number either has changed or no longer exists and the search results are also very inaccurate. So if I'm searching for a gardener in Ranchi, it is showing me Gardner in Kolkata and so on.
- So basically, it is imprecise and the customer gets frustrated, whereas if the same customer goes on Google or even on your competitor, IndiaMART, the results are far more precise and the numbers which do not exist are far fewer as compared to -- Just Dial. Sir, so what is your reflection on this?
- Abhishek Bansal:** So, Keshav, basis, so on a quarterly basis, we do our sort of user satisfaction as well as customer satisfaction audits. And our findings have been much different. In fact, in several cases, if you are unable to find a proper number at any other platform, users many times find that they are able to find it on our particular platform. As far as search results, the one specific example you mentioned, I'm not sure whether that was because you were sitting here and searching in a different city, even then that should ideally not be the case.
- We segregate our categories basis the type of business it is. So, if you are looking for, say, a restaurant or a general physician doctor, the search results are typically in a shorter radius because as a user, you wouldn't want to go 10 kilometers away.
- But in case there is a category such as, say, pest control services, where the merchant has to come to your doorstep to render the services, then in search results, sometimes you could see a relatively far off service provider who would very well be happy to come to your doorstep to render the service.
- So, that's the nature of business. In case there are any specific search queries where results were not to your satisfaction, please do let us know, and we will definitely check the gaps and fill them.
- V.S.S. Mani:** And in case of B2B categories, we do have intercity advertisers because their ability to cater to other cities is high. So that is possible. But if you are referring to a category like gardener, it's an error, we will look into it. And if you're looking for gardeners in Ranchi, you should be getting only gardeners from Ranchi.
- Keshav Garg:** Sir, in fact, for this search result, I was very much in Ranchi and I could find a gardener in IndiaMART. In fact, a couple of them I could find over there. So just feedback I'm sharing. And sir, second, I understand that the key to success in this business is to get even the tiny, tiny businesses registered with us so that if somebody searches, he can find a more relevant and nearby, an exact source of the service or good or product he is looking for. So sir, what are we doing? On one hand, we are cutting the field force and basically the whole expenditure. Sir, so then, how do we enroll more and more people on our platform?

Abhishek Bansal: So, Keshav, at this point of time, we have 49 million businesses already listed on the platform, okay? In today's world, getting a merchant on the platform does not require that much field force and manual labor versus there are several automated or tech-enabled ways to get same information. For example, earlier, probably in a hospital, if there are 50 doctors practicing, we had to go to get that information.

Today, all hospitals put out a particular document, which tells the OPD timings of all the doctors. And via use of tech, I am able to update that information, which probably required 20-man hours earlier. Similarly, insurance companies might be updating the list of garages where they are offering cashless service. Now, all that information is data for me, which enables me to keep my data enriched.

Keshav Garg: Right. Sir, so what are we doing different from the competition? Like now even Google Maps has started giving, if you search something, it will directly give you the phone number and so on. Sir, so, I mean, one doesn't even need to go to Google search, just in Google Maps, he is able to get that. Sir, so then what is our edge? How are we scoring above them?

Abhishek Bansal: See, in today's era of disruption, people have been questioning that, okay, just like you talked about Google, people are talking about whether AI-related platforms can replace even the requirement of a search, etcetera, etcetera. Our USP comes from the fact that in a diverse country like India, you need a dedicated platform, which lists all the small, medium, micro large merchants out there and provides information for any category that you can think under the sun.

Secondly, for those merchants from just the basic information, we have graduated to providing rich information pertaining to the products and services that they provide. For example, in case of a wedding photographer, no longer it is sufficient to just give their contact details, but I should be able to showcase their portfolio of services. In fact, as we speak, we are working on using their particular portfolios to automatically create short videos or reels that will show up on their particular listing.

So the idea is that for anything pertaining to local search, you should be quickly be able to find a merchant on the platform. And for any other platform that you mentioned, their focus on commercial intent searches will just be a certain percentage of their overall business, whereas for us, that is the only bread and butter.

Keshav Garg: Sure sir, I hope to hear something about the dividend that you have been talking since a long time.

Moderator: We'll take our next question from Devang Patel from Sameeksha Capital. Please go ahead.

Devang Patel: Hi sir. Q-o-Q, we've seen a pickup in collections growth and in the number of campaigns added. But if we strip out seasonality from the quarter, how has been the trend in gross additions and in the churn rate? And basically, whatever slowdown we were seeing earlier in the revenues is the worst of that slowdown behind us?

- Abhishek Bansal:** So, Devang, the best way to strip out seasonality is to look at numbers on a Y-o-Y basis. So, collections sequentially might be showing 20% plus growth, but year-on-year basis, it's about 11.5%, 12%, 11.3%. So that's the proper number.
- Devang Patel:** Broadly, we can sustain the growth numbers that we've seen in Q4 Y-o-Y.
- Abhishek Bansal:** So, as I mentioned, my priority is to ensure that my top line accelerates, which is my accrued revenue. Now collections, in case I start selling more to upfront client customers, it might artificially show that my collections could be higher or if I start selling more to monthly plan customers, for a short period, it might show some impact on collections, but there will not be any commensurate impact on accrued revenue. So, while 4Q has seen a pickup, hopefully, for the entire fiscal '26, our revenue growth will also accelerate up to catch up to collections growth.
- Devang Patel:** Okay. Secondly, my question was on AI. You mentioned use of AI earlier to improve the quality of listings. Are there any other use cases where we are using AI? The sales team strength is up 3%. You mentioned we are reducing or switching from cold calling to feet on street. But if I look at the productivity, for the sales team, it's at INR12 lakhs versus, let's say, INR10 lakhs pre-COVID. What is the scope to improve employee productivity further from these levels?
- Abhishek Bansal:** So, to your first query on use of AI, there are several use cases that we are already deploying AI for. So firstly, on the user engagement side, reviews. So, today, when you go to any particular listing, earlier user had to skim through tens of reviews to understand what is positive or negative about a business. Today, that summary generation is completely automated.
- There are prompts via AI, which aid a user to give quality reviews on the platform. We use AI for merchants while creating content in their listings. So whenever a merchant is actually uploading a catalog via use of AI, it helps them probably give descriptions to their particular products and services or enhance images that they are uploading.
- Then even we are using AI to give better data to our sales team. What I mean by that is that when I give a particular merchant as hot data to my sales team, there is a scoring system that we do, which tells my salesperson that how -- what is the expected nature of this particular business to convert into a paid listing, whether it's a high intent or a medium intent or a low intent based on how that merchant has been engaging with the platform.
- So if a merchant is regularly coming to my portal to update their particular listing, there is a specific score assigned. So use of all these particular, ultimately, use of technology enables us to give better content, improve experience for our users as well as for our merchants.
- Moderator:** We take our next question from Nilesh Doshi from Prospero Tree AMC. Since there is no response, we will move on to the next question from Saumil Shah from Paras Investments. Please go ahead.

Saumil Shah: Abhishek, few quarters back, I think 3.4 quarters back, you just -- you mentioned that we are working closely with Jio Ads team for IPL advertising for small enterprises. So, want to know any positive development on the same? Because last year, I remember you said we were a bit late on that front. And so by next season, we could possibly explore synergies. So any positive development?

Abhishek Bansal: No, for this particular IPL, we have not engaged on monetization efforts for Jio any subscriptions.

Saumil Shah: Okay. And so have they started or the small SME advertising has not started?

Abhishek Bansal: So, honestly, we are not aware of that whether there is SME advertising happening on IPL-related matches or not.

Saumil Shah: Okay, okay. And similarly, I think we were going to integrate Just Dial on MyJio platform. So anything on that front?

Abhishek Bansal: So, on that particular initiative, what we have realized is that in terms of our traffic, some of these initiatives may not actually move the needle that much in terms of, say, I already have 190 million users and a good chunk of usage originates from searches that happen on Google. So, for a local search, any traffic that were to come to us via MyJio that would anyway have been listened. So the scheme has been deprioritized at this point of time.

Saumil Shah: And I think one of the previous participants, we just answered that some online shopping or something by next quarter. So could you please just give a flavor? I couldn't understand that.

Abhishek Bansal: Mr. Mani, you would take the question please?

V.S.S. Mani: Sorry?

Abhishek Bansal: So, the query around online shopping initiative.

V.S.S. Mani: Yes, yes, online shopping initiative, we are just working on a beta. You will see it -- will hear more from next quarter. Probably you'll see a product. Basically, it is that Just Dial traditionally supports offline establishments. And the online share of the market is not there right now with us. So we're launching a new product like a complete A to Z online shopping site that will give us the opportunity to tap online people who are selling their products online.

Saumil Shah: Okay. So, is it something similar to JioMart or it is only for B2B businesses who are selling online?

V.S.S. Mani: No, B2C also. It is B2C businesses, B2B businesses, whosoever has an online buying capability, online shopping capability, all of them will be included in this.

Saumil Shah: Okay. So, all of them would be integrated...

- V.S.S. Mani:** Initially, all of them will be listed for free and the sponsored ones will be listed on priority basis. Then as the traction gathers, then we will start a commission on sales or referral.
- Saumil Shah:** Okay. And sir, what would be our taxation rate for this year?
- Abhishek Bansal:** So, for current year, it should go to around 20%, 21% or so. So our operating profits, they get taxed at a complete 25.2% tax rate. Within our treasury, there is a part of treasury deployed from fiscal '24 onwards, which gets taxed at full tax rate. And the one which we had deployed earlier, since that has crossed 2-year holding period, that will get taxed at whatever long-term capital gains tax of around 14% or so, 14%, 14.3%, including surcharge and Cess.
- Saumil Shah:** So, on an average, we can assume 20% tax rate?
- Abhishek Bansal:** Around blended, we expect it to be in the range of 20%, 21%. The mix of how much is operating income versus treasury income will determine the final outcome.
- Saumil Shah:** Okay. Okay. Sir, my final question, sir, as we are guiding for a mid-teen kinds of a growth, so can we assume our EBITDA margins can go north of 30%, maybe 30% to 33%?
- Abhishek Bansal:** So as I mentioned earlier, my last year performance has been that margins, which we were targeting at 25% at year beginning, we ended at 29% plus. Top line of mid-teens, we ended at close to 9.5%, 10%. For this year, in terms of margins, we are comfortable at where we are, but endeavor will be to accelerate top line growth.
- Moderator:** We'll take our next question from Sanjay Mahajan from Wealthwise Capital. Since there is no response, we'll take our next last question from Amit Agrawal, a Private Investor. Please go ahead.
- Amit Agrawal:** My question is related to an item on your balance sheet, on bank balances. I see an unusually high number of INR300 crores, which has not been the case in the past 2 financial years. Could you throw a color on that?
- Abhishek Bansal:** So Amit, all -- our entire treasury is invested in debt mutual funds, fixed deposits and tax-free bonds. Simple cash in terms of, say, cash in current account is very miniscule, not more than INR3 crores, INR4 crores. Overall cash on the balance sheet, including investment stands at INR5,280 crores.
- Moderator:** We'll take our last question from the line of Sudharsan Nachimuthu from Prosperity Wealth Management. Please go ahead.
- Sudharsan Nachimuthu:** My question is on your top line growth actually. When we mentioned we're comfortable at this current margin levels and aspire for mid-teens kind of growth, does this 5%-more growth comes from the cost of your EBITDA? Let's say, last year, we did 10% top line and 30% margin. Now we aspire for 15% top line, does it come from 5% EBITDA?
- Abhishek Bansal:** I mean, not really. So, as I mentioned, my gross margins are about 55% or so. And even if I consider escalation in my other expenses, non-sales-related expenses, still about comfortably

40%, 45% or even slightly higher percentage of incremental top line will flow to my EBITDA level. So, while I might deploy part of it to advertising or whatever initiatives, still it should be margin accretive.

Sudharsan Nachimuthu: Okay. And what is our target ad spend for this year? Will it reach the pre-COVID 5%, 6% of top line levels?

Abhishek Bansal: At this point of time, we don't think that we would need to advertise that much because currently, we are primarily focusing on digital advertising. So, I would budget, say, around 2.5% to 3% of the top line at this point of time.

Sudharsan Nachimuthu: And on your shopping website part, is there any addressable market size which you guys have finalized? Or is it too at a nascent stages to comment on it?

Abhishek Bansal: I think once we actually have -- Yes, Mr. Mani, please go ahead.

V.S.S. Mani: Yes, the beta has to be ready. Addressable market is, as I said, people who are trying to sell their products online, having their own website is an addressable market for us, that's constantly growing. And there are people -- there are two ways to sell online. One is through platforms like -- e-commerce platforms like just Amazon or Flipkart and all that. Other is stand-alone websites of these companies, and they advertise on social media and in search engines to get the traffic.

So, we are trying to have a dedicated online shopping site, which will have a catalog of all the products that you see as ads or as whatever it is in different platforms, all aggregated in one place. And so it's easy to search by keywords, colors. If you want to buy a brown colored T-shirt, you can say, brown colored T-shirt, and we'll get you all those sites that are selling brown colored T-shirt. You say I want bamboo fabric T-shirt, whatever it is.

Sudharsan Nachimuthu: Understood. Understood. And on the content part, I think as per our last conversation, we are trying to integrate the content of those listed entities, which go into, say, other platforms into Just Dial, like your completed works, a catalog of works done by the particular SME, promotional videos. So, is there any sort of update on that? Or is it still in working stage?

Abhishek Bansal: Yes. So, there, in B2B listings, we already have catalogs for over 1 billion listings. And even on B2C listings, we are in the process of expanding our service catalogs to as many businesses as possible. Apart from that, wherever, even in service catalogs, we can have rich short videos, reels, to showcase that particular merchant's products and services that we'll keep adding. So total listing base of 48 million, 49 million, the idea is to make content rich in as many listings as possible.

Moderator: Ladies and gentlemen, we'll take that as the last question for today. I would now like to hand the conference over to Mr. Abhishek Bansal for closing comments. Over to you.

Abhishek Bansal: Just one clarification on a query around INR300 crores showing as one of the line items on the balance sheet. So this year, since part of the cash we have started deploying in fixed deposits with banks, since there is no tax advantage in mutual funds, there is INR300 crores deployed

in fixed deposits, which is what is showing as a separate line item under current assets on our balance sheet. Apart from that, cash in current accounts is very minimal. So I thought I'll just clarify.

Thank you, everyone, for joining us. In case you have any further queries, please do reach out. We would do our best to address, and that's it from our side. Thank you.

V.S.S. Mani:

Thank you.

Moderator:

Thank you. On behalf of Just Dial Limited, that concludes this conference. Thank you for joining us, and you may now exit the meeting.