



Manivannan Kannan

Private investor



Asian Investing Summit

2025

Manivannan Kannan

Introduction



Engineer and MBA
by educational
qualification



Lives in Chennai,
India. ‘The Omaha of
India’



Experience with
early-stage startups. Last
assignment with Uber.



Investing full-time
since 2021. Focused
on Indian markets.

Investing Philosophy

1 Long Term Investing

Shaped by Warren Buffett and Charlie Munger.

3 Approach in short:

Avoid Big Risks

Buy Great Businesses in attractive industries led by exceptional management

Buy at super attractive prices

2 Indian Context

Influenced by Nalanda Capital's thoughts and actions





Avoid Big Risks

What is Risk? Permanent Loss of Capital

Poor Governance

Avoid companies with poor governance history

High Leverage

Stay away from highly leveraged businesses.

Lousy Past, Rosy Future

Past behavior indicates future actions.

Avoid the above. Helps skittle down the list from 5000 odd companies in India

Attractive Industries, Great Business, Exceptional Management

Attractive Industries

All players make money

Low governmental regulations, price controls, unfavourable surprises

Low risk of obsolescence

Great Businesses

Terrific return on capital

Competitive edge to maintain

high returns in the future

Potential for growth

Exceptional Management

Leadership you can trust

You will know one when you see it

Let's roll back years and look at one known business model

Yellow Pages was a telephone directory of businesses - Organised by categories. And we know, It was ubiquitous



1

Positive flywheel

Customers wanted maximum choices. Businesses wanted maximum customer eyeballs. What we now call as '**Network Effects**'

2

The only player

Concentration only towards the biggest player. Incredible benefit to the ecosystem. What we now consider as '**Near Monopolies**'

3

Great Pricing Power

Great brand pull attracted both sides of the ecosystem. Led to good pricing power. What we now consider as a '**Strong Moat**'

4

In short, one terrific business model

Yellow pages is no more, but the business model strengths exist in various forms

The Internet has made them even stronger. **Generally, Winner takes all**



Uber



1

Network Effects

Positive network effects drive growth. More users attract more users.

2

Near Monopolies

Dominant players gain market share

3

Competitive Advantages

Strong competitive advantages drive strong market position

matrimony.com

Searching for such a strong business model led to Matrimony business - Leader in Indian matchmaking.

Matrimony.com

- Founded in 2000 as a community portal to connect Indians looking for marriages living and working in the US
- Now operates with over 300 plus community led solutions - Websites, Apps, Physical Services
- Highly fragmented market space - Scaled Internet based solutions capturing less than 10% of the market
- Matrimony.com is the leader in the organised space, >60% market share



Consumer Preferences

- 1 Arranged Marriages**
Over 70% of marriages in India are arranged.
- 2 Family Involvement**
Families involved in finding the right partner.
- 3 Community Focus**
Over 90% marry within their community.
- 4 Serious Business**
Matchmaking is not dating. It's serious.

Competitive Moats to the Business

Time-Bound Solutions	Network Effects	Brand and Trust	Scale of Operations
You need a partner at that point in time. Difficult to scale marketplaces with this need	Liquidity of profiles is critical - Religion/Geography/Caste. Network effects strengthen the leader	Important to share personal information. This is serious business	Leverage to spend on advertising. Lead the category with innovations.

What does it translate to?

Difficult to build a scaled business - Reason why you find oligopolistic characteristics across platform businesses

Competitive Edge -> Solid Business Metrics

Only Profitable Player

#2 player is way behind in market share

Low Risk of Obsolescence to the Category

People's need for meaningful companionship is as old as Adam and Eve

Limited cyclical in the business

Don't have to think of GDP growth, Recession, Tariffs

Cash Generating Machine

Customers pay upfront. Negative Working Capital. ROIC is infinite.

Zero Debt, Flush with Cash

Can explore allied businesses with minimal stress to balance sheet

Company in good hands

- Led by Murugavel Janakiraman, a first generation entrepreneur - Holds 53% of the company, his entire wealth/reputation/focus is on the company
- Shareholders with a long term focus - Less than .1% of open shares exchanged on a daily basis
- Sensible allocation and distribution of cash to shareholders - Dividends and Buybacks

What are the challenges?

1

Nature of the business model - Zero Customer Retention

High advertising spends are constant. Growth is a challenge.

2

Evolving Cultural Preferences

Can the company adapt to trends?

3

Aggressive Competition

Existing players focusing on winning micro-markets by spending big. Sometimes irrationally

4

Execution Capabilities

Operations and product features leave much to be desired in terms of excellence

5

It's AI era

Google wasn't the first. Facebook wasn't the first. Anything can happen

Company - Key Numbers (Million INR)

	2020	2021	2022	2023	2024	
Revenue	3720	3780	4350	4560	4810	Not a crazy growth company, but company has a predictable revenue stream
Advt Costs	1030	1370	1620	1820	1860	Increased short term spends on advertising not commensurate with the category
PBT	400	540	730	560	650	Barring advertising spends, the company has maintained its margins and profits
WC	-290	-320	-430	-370	-530	Consumers pay upfront leading to negative working capital
ROIC	-124%	-151%	-94%	-59%	-88%	ROCE is infinite
Net Cash	2370	2890	3130	3250	3580	Cash as a % of revenue is over 60%

Is the price attractive?

500 Mn

Operating FCF

Potential to reach 1 Billion INR
with normalized spending

3 Bn

Cash Surplus

Company has cash surplus of 3 Bn

11 Bn

Market Cap

Current market cap around 11 Bn

Market leader in an attractive industry with a strong competitive advantage. Looks worthy of consideration irrespective of valuation methods.

Discuss Further?

Email: manivannank87@gmail.com

Phone/Whatsapp: +91 9884831658

LinkedIn: <https://www.linkedin.com/in/manivannan-kannan-48115a9a/>

Thanks for the Opportunity