

Urban Company

E-Commerce | IPO Note

Not Rated

September 9, 2025

Driving growth across services and product

Key Points

- We recently met Urban Company during its IPO meet; it is a leading full-stack provider in India's consumer services sector, offering home and beauty services across 60+ categories and 500+ micro-markets. **The India consumer services market is projected to clock a CAGR of 18%-22% between FY25 and FY30. Within this segment, Urban Company has onboarded 51,875 professionals and delivered 22% NTV CAGR, 24% revenue CAGR between FY23-FY25, and Rs879mn in adjusted EBITDA in FY25;** this is driven by rising urban demand, digital adoption, and scalable tech-led operations.
- Urban Company's Native segment focuses on branded products like water purifiers and electronic door locks, integrating them with its service expertise and IoT capabilities. **With revenue of Rs1,160mn and 10.14% contribution to total FY25 revenue,** this segment is growing rapidly, driven by low market penetration and rising demand. Though currently loss-making, strategic investments in manufacturing and ecosystem integration are expected to enhance scalability, customer retention, and platform monetization. This expansion strengthens Urban Company's full-stack model by blending product innovation with reliable service delivery.
- **At the consolidated level, Urban Company has delivered 25% NTV CAGR, 34% revenue CAGR, and 36% contribution profit CAGR during FY23-FY25. The Native segment has scaled significantly, registering a 452% revenue CAGR over the same period. This strong growth contributed to a 34% CAGR in consolidated revenue; however, the Native business' adjusted EBITDA margin of -25% of NTV has weighed on overall margins.** That said, this was offset by a sharp improvement in the India consumer services business, where adjusted EBITDA margin expanded from -9.72% in FY23 to +3.30% in FY25, enabling the company to turn consolidated adjusted EBITDA positive at 0.37% of NTV in FY25.
- **Urban Company is now launching its IPO, comprising a Rs4,720mn fresh issue and a Rs14,280mn offer for sale, implying a post-issue market capitalization of Rs147,896mn and a P/S multiple of 12.9x on FY25 sales. We believe the business has levers for growth, supported by the continued addition of customers, the rollout of new service offerings such as 'InstaHelp', and driving higher frequency while the continuous investment in new services may cause non-linear margin expansion.**

Key Growth Drivers: 1) **Expanding Consumer Base and Market Penetration**–

Urban Company operates in 51 cities, with only 7.8% household penetration, offering vast growth potential across the top-200 cities and lucrative opportunities in KSA, UAE, and Singapore. 2) **Improving Consumer Retention and Spending**– The company enhances trust and affordability through training, SOP adherence, and micro-markets, while driving higher wallet share via personalization, cross-selling, and incentive-led trials. 3) **Launching New Product and Service Offerings**– Innovation continues with the Native brand (water purifiers, fast-growing electronic locks); InstaHelp for household help; and expansion into home projects, wall panels, and cleaning subscriptions worth US\$6bn. 4) **Investing in Technology and Infrastructure**–1,900mn is allocated to tech and cloud, with AI and GenAI powering matchmaking, chatbots, fraud detection, diagnostics, and real-time availability. Together, these strategies position Urban Company for sustainable expansion, improved consumer stickiness, diversified services, and technology-driven efficiency.

IPO Open Date	10-Sep-25
IPO Close Date	12-Sep-25
Anchor Investor Offer Date	9-Sep-25
IPO Price Band (Rs)	98-103 Per Share
Face Value (Rs)	1
Issue Size (Rsmn)	19,000
Fresh Issue (Rsmn)	4,720
Offer for Sale (Rsmn)	14,280
Post Issue Mkt Cap(Lower & Upper band; Rsmn)	1,40,945-1,47,896
QIB Shares	75%
NII Share	15%
Retail Shares	10%

Name of the Shareholder	Number of Equity Shares (mn)	% of Pre- Offer Equity Share Capital	Post IPO Shares (mn)	Post IPO Stake
Promoter & Promoter Group	293	21%	293	20%
Public & Others	1,097	79%	1,143	80%
Total	1,390	100%	1,436	100%

Particulars	Estimated Amount (Rsmn)
Expenditure for new technology development and cloud infrastructure	1,900.00
Expenditure for lease payments for our offices	750
Expenditure for marketing activities	900
General corporate purposes	1,170
Total	4,720

Key Link- [RHP](#)

Please refer to the disclaimer towards the end of the document.

Business Overview

Urban Company is a technology-driven, full-stack online services marketplace offering quality-focused home and beauty services across 51 cities, including 47 in India along with UAE and Singapore, excluding KSA, which is served through a joint venture. The platform enables convenient access to services such as cleaning, pest control, appliance repair, handyman assistance, painting, skincare, grooming, and massage therapy, delivered by trained, independent service professionals. In addition to consumer services, the company has expanded into home solutions under the 'Native' brand, launching water purifiers in FY23 and electronic door locks in FY24. It is also in the process of scaling its on-demand InstaHelp home-help assistance across select Indian micro-markets.

Urban Company operates through three business segments:

1. **India Consumer Services** – Covers home, beauty, and wellness categories, structured into standard service units (SSUs) with defined procedures, pricing, and prescribed products. The company also supplies tools and consumables to service professionals.
2. **Native** – Comprises the sale of water purifiers and electronic door locks in India and abroad.
3. **International Business** – Includes home and beauty services in UAE and Singapore, and services provided in KSA through a joint venture.

The company focuses on delivering a standardized, reliable, and quality-driven service experience by empowering verified service professionals with training, standard operating procedures, technology, consumables, financing, insurance, and branding support, thereby enhancing customer satisfaction and partner earnings.

Exhibit 1: Key financial parameters of consolidated business

Consolidated Business	Unit	FY23	FY24	FY25	3M Ended 30-Jun-24	3M Ended 30-Jun-25
Net Transaction Value	in Rsmn	20,779	25,639	32,709	8,592	10,306
Revenue from operations	in Rsmn	6,366	8,280	11,445	2,809	3,673
Contribution margin	in Rsmn	16.51%	18.80%	19.53%	19.17%	19.67%
Adjusted EBITDA	in Rsmn	-2,977	-1,190	121	48	211
Adjusted EBITDA Margin (as a % of NTV)	% of NTV	-14.33%	-4.64%	0.37%	0.56%	2.04%
Adjusted EBITDA Margin (as a % of revenue from operations)	% of revenue from operations	-46.76%	-14.37%	1.06%	1.72%	5.74%
Restated profit/ (loss) before tax	in Rsmn	-3,124	-927	286	126	56
Deferred tax credit	in Rsmn	-	-	2,112	-	13
Restated profit/ (loss)	in Rsmn	-3,125	-927	2,398	126	69
Annual transacting consumers	mn	5	6	7	6	7
Average monthly active service professionals	in number	42,523	46,012	47,833	50,992	54,347

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 2: Objects of the offer

Particulars	Estimated deployment of Net Proceeds in FY26	Estimated deployment of Net Proceeds in FY27	Estimated deployment of Net Proceeds in FY28	Estimated Amount (Rsmn)
Expenditure for new technology development and cloud infrastructure	420	740	740	1,900.00
Expenditure for lease payments offices	170	290	290	750
Expenditure for marketing activities	200	200	350	900
General corporate purposes	-	-	-	1,170
Total	790	1,230	1,380	4,720

Source: Company, Nirmal Bang Institutional Equities Research

Segment-wise business KPI

Exhibit 3: India consumer services segment financial performance

India Consumer Services Segment	Unit	FY23	FY24	FY25	Three months ended 30-Jun-24	Three months ended 30-Jun-25
Net Transaction Value (NTV)	in Rsmn	18,052	22,156	26,672	7,401	8,166
Net take rate		32%	32%	33%	31%	33%
Revenue from operations	in Rsmn	5,700	7,095	8,814	2,310	2,718
Revenue from external customers – Services	in Rsmn	4,356	5,628	6,948	1,908	2,224
% of India consumer services revenue		76%	79%	79%	83%	82%
Revenue from external customers – Products	in Rsmn	1,345	1,467	1,866	403	494
% of India consumer services revenue		24%	21%	21%	17%	18%
Contribution Profit		3,201	4,347	5,388	1,460	1,657
Contribution margin (% of NTV)	% of NTV	17.73%	19.62%	20.20%	19.72%	20.29%
Adjusted EBITDA	in Rsmn	-1,755	-101	879	297	328
Adjusted EBITDA Margin (% of NTV)	% of NTV	-9.72%	-0.46%	3.30%	4.01%	4.01%
Adjusted EBITDA Margin (% of revenue from operations)	% of revenue	-30.79%	-1.42%	9.98%	12.84%	12.06%
Annual total transacting consumers	mn	5	6	7	6	7
Average monthly active service professionals	in number	41,177	44,464	45,619	48,983	51,875

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 4: Native segment financial performance

Native Segment	Unit	FY23	FY24	FY25	3M Ended 30-Jun-24	3M Ended 30-Jun-25
Net Transaction Value	in Rsmn	45	378	1555	243	791
Revenue from operations	in Rsmn	38	288	1160	182	595
Adjusted EBITDA	in Rsmn	-13	-257	-390	-86	-90
Adjusted EBITDA Margin (as a % of NTV)	% of NTV	-27.77%	-67.97%	-25.09%	-35.61%	-11.43%
Adjusted EBITDA Margin (as a % of revenue from operations)	% of revenue from operations	-32.77%	-89.28%	-33.63%	-47.35%	-15.18%

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 5: India consumer services and Native segments' financial performance

India consumer services and Native segments	Unit	FY23	FY24	FY25	3M Ended 30-Jun-24	3M Ended 30-Jun-25
Net Transaction Value	in Rsmn	18,097	22,534	28,227	7,644	8,958
Revenue from India consumer services and Native	in Rsmn	5,738	7,383	9,974	2,493	3,314
Adjusted EBITDA	in Rsmn	-1,768	-358	489	210	237
Adjusted EBITDA Margin (as a % of NTV)	% of NTV	-9.77%	-1.59%	1.73%	2.75%	2.65%
Adjusted EBITDA Margin (as a % of revenue from operations)	% of revenue from operations	-30.80%	-4.85%	4.90%	8.44%	7.17%

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 6: International business segment financial performance

International Business Segment	Unit	FY23	FY24	FY25	3M Ended 30-Jun-24	3M Ended 30-Jun-25
Net Transaction Value	in Rsmn	2,683	3,105	4,482	948	1,349
Revenue from operations	in Rsmn	628	897	1,470	316	359
Contribution margin	% of NTV	8.35%	14.50%	19.03%	18.12%	17.47%
Adjusted EBITDA	in Rsmn	-1,029	-832	-368	-162	-27
Adjusted EBITDA Margin (as a % of NTV)	% of NTV	-45.08%	-26.80%	-8.21%	-17.10%	-1.98%
Adjusted EBITDA Margin (as a % of revenue from operations)	% of revenue from operations	-192.70%	-92.74%	-25.04%	-51.37%	-7.44%
Annual transacting consumers	mn	0.17	0.17	0.24	0.18	0.25
Average monthly active service professionals	in number	1,346	1,548	2,215	2,009	2,472

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 7: Established brand trusted by consumers

According to the Redseer Report, *Urban Company* was India's most searched full-stack online home services platform on Google Trends between Jan-24 and Mar-25. As on 30-Jun-25, the platform had facilitated transactions for 14.59mn unique consumers across all geographies of operation since inception. Of this, 6.81mn consumers, representing 46.67% of the total base, were onboarded between 1-Jul-22 and 30-Jun-25, highlighting the strong recent adoption. The marketplace benefits from significant network effects, which reinforce brand affinity and encourage repeat usage by both consumers and service professionals. Consumer retention, measured on the basis of NTV across cohorts by calendar year, reflects these network-driven dynamics.

Exhibit 8: Consumer retention basis NTV

Fiscal	2018	2019	2020	2021	2022	2023	2024	2025
2018	1	1.01	1.17	0.89	1.21	1.53	1.62	1.75
2019		1	1.01	0.70	0.91	1.13	1.20	1.29
2020			1	0.59	0.71	0.82	0.87	0.94
2021				1	0.82	0.78	0.79	0.84
2022					1	0.75	0.70	0.73
2023						1	0.74	0.71
2024							1	0.77
2025								1

Source: Company, Nirmal Bang Institutional Equities Research

Each cohort represents consumers who place their first order on platform in a given fiscal. For example, the cohort for fiscal 2018 includes all consumers that placed their first order on the platform in fiscal 2018 and have collectively increased the NTV spend to 1.75 times by fiscal 2025. As consumers utilize services on the platform more frequently, the NTV generated by each cohort also grows over the periods, indicating consumers' propensity to spend more on the platform with increasing habit formation tendencies.

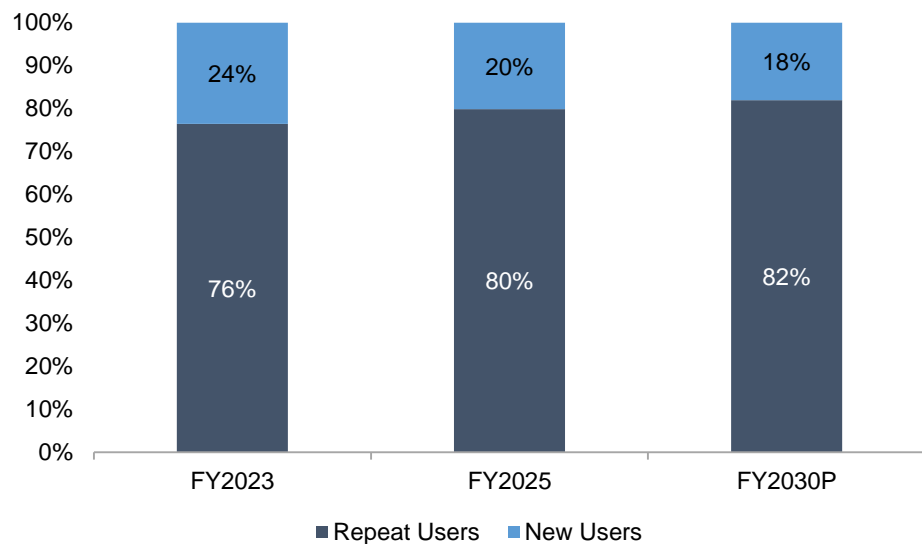
Exhibit 9: Retained consumers lifetime category adoption by cohort

Fiscal	2018	2019	2020	2021	2022	2023	2024	2025
2018	1.25	2.36	3.11	3.91	4.40	4.84	5.25	5.59
2019		1.31	2.47	3.32	3.84	4.28	4.70	5.07
2020			1.36	2.60	3.18	3.64	4.07	4.44
2021				1.37	2.55	3.20	3.69	4.08
2022					1.36	2.50	3.06	3.51
2023						1.34	2.44	2.97
2024							1.33	2.38
2025								1.31

Source: Company, Nirmal Bang Institutional Equities Research

For instance, consumers who joined in fiscal 2018 started with an average of 1.25 service categories, which steadily expanded to 5.59 categories by fiscal 2025, their seventh year on the platform. Similar adoption trends are visible across newer cohorts, with early users gradually increasing service usage over time. This demonstrates the company's ability to cross-sell, drive multi-category adoption, and enhance lifetime value of retained consumers, underpinned by brand trust, standardized service quality, and personalized targeting. The expanding breadth of services used by consumers highlights the stickiness of the platform and scalability of Urban Company's full-stack model.

Exhibit 10: Increasing share of net transaction value contributed by repeat users



Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 11: Service professional earning bifurcation

Details	Unit	All professionals	Professionals delivering >30 services in a month	Top 20% of service professionals by order count	Top 10% of service professionals by order count	Top 5% of service professionals by order count
Percentage of monthly active service professionals	%	100%	64%	20%	10%	5%
Gross earnings (average)	in Rs per month	50,022	61,999	76,424	84,550	91,719
Urban Company fee	%	28%	28%	28%	27%	27%
Indirect taxes borne by professionals	in Rs per month	511	622	735	783	815
Travel costs	in Rs per month	1,829	2,391	2,814	3,185	3,523
Product costs and additional personnel costs	in Rs per month	7,245	8,316	11,139	12,157	13,258
Net average earnings	in Rs per month	26,407	33,599	40,677	45,256	49,066
Hours spent on the platform	hours per month	83	104	128	143	155
Net Earnings per hour	in Rs per hour	317	323	317	317	316

Source: Company, Nirmal Bang Institutional Equities Research

Service professionals typically retained 72% of the amount paid by consumers toward services during fiscal 2025. This strong earning potential, coupled with a steady stream of service leads, has contributed to higher order volumes and consequently increased monthly earnings for service professionals. As an illustration, in fiscal 2025, service professionals in India fulfilling more than 30 orders per month achieved net average earnings of Rs33,599 per month, after deducting platform service fees, travel expenses, and product costs. Service professionals are also offered the opportunity to progress through category tiers such as Bronze, Silver, and Gold, which supports higher earnings potential and encourages long-term engagement with the platform.

Exhibit 12: Adjusted EBITDA bridge for Indian consumer services for FY 2025 and FY 2023



Source: Company, Nirmal Bang Institutional Equities Research

Platform growth has enabled operational leverage and cost efficiencies, driving an improvement in profitability in FY 2025 compared to FY 2023. Core service offerings, primarily home and beauty services, continue to expand, creating the capacity to invest in newer categories. This growth, combined with efficiency initiatives, has translated into margin expansion, as reflected in the adjusted EBITDA margin for India consumer services improving to 3.30% of NTV in FY 2025 from (9.72)% of NTV in FY 2023.

Key Growth Drivers

1. Expanding Consumer Base and Market Penetration

Urban Company is strengthening its presence across 51 cities (47 in India) by enhancing customer experience, adding services in existing micro-markets, and investing in brand marketing. With annual household penetration at just 7.8% in the top-200 cities of India in FY25, there remains significant headroom for growth. The company also plans to expand further into these 200 cities, where 62% of its serviceable addressable market lies outside the top-8 cities, while tapping international opportunities in KSA, UAE, and Singapore. Notably, KSA is expected to see strong demand with a projected 10-11% CAGR from CY24-29.

2. Improving Consumer Retention and Spending

The company is focused on driving higher consumer retention through investments in training, technology, and SOP adherence, which enhance trust, quality, and convenience. Its micro-market approach reduces travel time for professionals and enables more affordable pricing. On the spending side, Urban Company aims to increase wallet share through personalized targeting, cross-selling, app interface optimization, incentive-led trials, and the disaggregation of larger categories into more affordable sub-services.

3. Launching New Product and Service Offerings

Urban Company continues to innovate in underserved markets by launching new categories and sub-categories. Its Native brand has already introduced water purifiers and electronic door locks, with the latter segment projected to grow at 37-40% annually; a manufacturing facility for Native products was approved in Aug-25. The company also introduced InstaHelp in Jan-25, to organize the largely unstructured household help market, and has expanded into small home projects, wall panels, and subscription-based cleaning services, addressing a market worth around US\$6bn in FY25.

4. Investing in Technology and Infrastructure

To further strengthen its platform, Urban Company has earmarked Rs1,900mn from IPO proceeds toward technology development and cloud infrastructure. The focus is on enhancing matchmaking speed, improving fulfillment, and enabling real-time availability of service professionals through micro-market design and demand-supply optimization. Advanced use of AI and GenAI is being deployed across multiple areas, including chatbots, skin analysis, fraud detection, diagnostics, and quality monitoring, thereby improving efficiency, consumer satisfaction, and unlocking new revenue streams.

Industry Overview

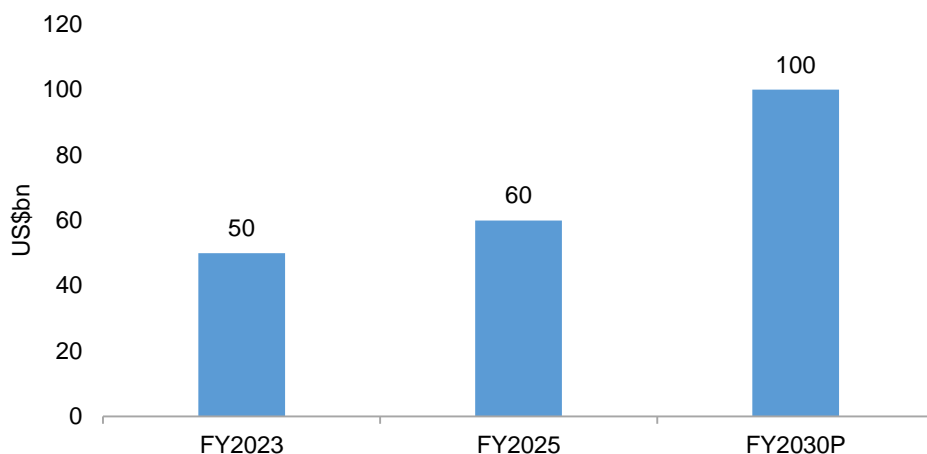
Indian Home Services Market Overview: The home services market in India is a rapidly evolving sector that spans a wide range of offerings, from basic household chores to specialized professional services, aimed at enhancing convenience and quality of life. Rising urbanization and increasingly busy lifestyles have accelerated demand, making home services a pivotal growth segment in the Indian economy. The industry represents a large market opportunity with a total addressable market (TAM) of Rs5,100–5,210bn (~US\$60bn) in FY25; it is projected to clock a CAGR of 10-11% to Rs8,400–8,580bn (~US\$100bn) by FY2030.

The market is currently catered to by three categories of players:

1. **Unorganized local players** – Individual professionals and small businesses such as salons, electricians, plumbers, contractors, cleaners, gardeners, and pest control providers.
2. **Offline organized players** – Salon and spa chains, OEM dealerships for appliance repair, paint dealerships, and specialized cleaning agencies.
3. **Online full-stack platforms** – Vertical players focused on a specific category (e.g., beauty, handyman services) and horizontal players offering a wide suite of services digitally.

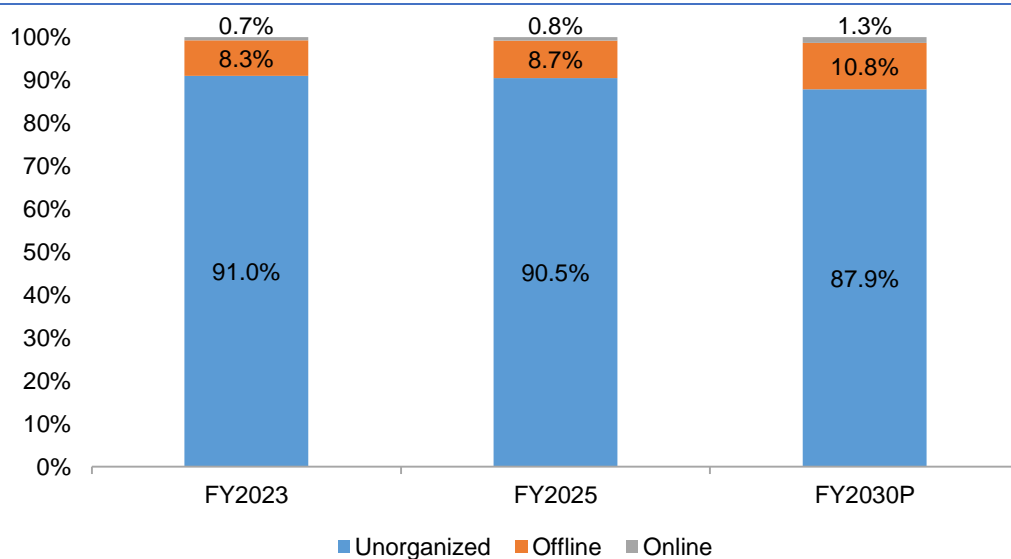
Despite its size, the home services industry in India remains largely unorganized, fragmented, and offline, with online penetration at less than 1% as of FY25 (by net transaction value). The online segment itself is sizable, estimated at Rs41-43bn in FY25, and is expected to clock a CAGR of 18-22% between FY25 and FY30. Growth in the online segment is underpinned by consumer preference for convenience, reliability, and seamless service delivery, combined with superior service quality and reduced hassles compared to offline alternatives. With rising urban migration and increasing digital adoption, online full-stack platforms are well-positioned to capture a growing share of the market, offering efficiency, accessibility, and a differentiated customer experience.

Exhibit 13: India home services market has huge TAM



Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 14: Home services market – split by organized and unorganized providers



Source: Company, Nirmal Bang Institutional Equities Research

Growth potential of online full-stack platforms

Online full-stack platforms are emerging as the most scalable and consumer-preferred model in India's home services market, projected to reach Rs105-110bn by FY2030, clocking a CAGR of 18-22% between FY25 and FY30. The customer journey in home services is shaped by six key parameters: ease of discovering trusted professionals with clear service information, transparent and competitive pricing, timely execution with flexible scheduling, consistency and expertise in service delivery, use of high-quality materials, and availability of post-service support. The largely offline and unorganized market continues to face structural challenges—consumers struggle with poor access to quality supply and inconsistent service, while service professionals face irregular demand, dependence on intermediaries, and sub-optimal earnings. These inefficiencies have fueled faster adoption of organized players, particularly online full-stack platforms, which consistently outperform across all customer journey parameters by leveraging stronger technology integration, superior data and analytics, and an asset-light business model that ensures efficiency, reliability, and better customer experience.

Exhibit 15: Customer journey in home services



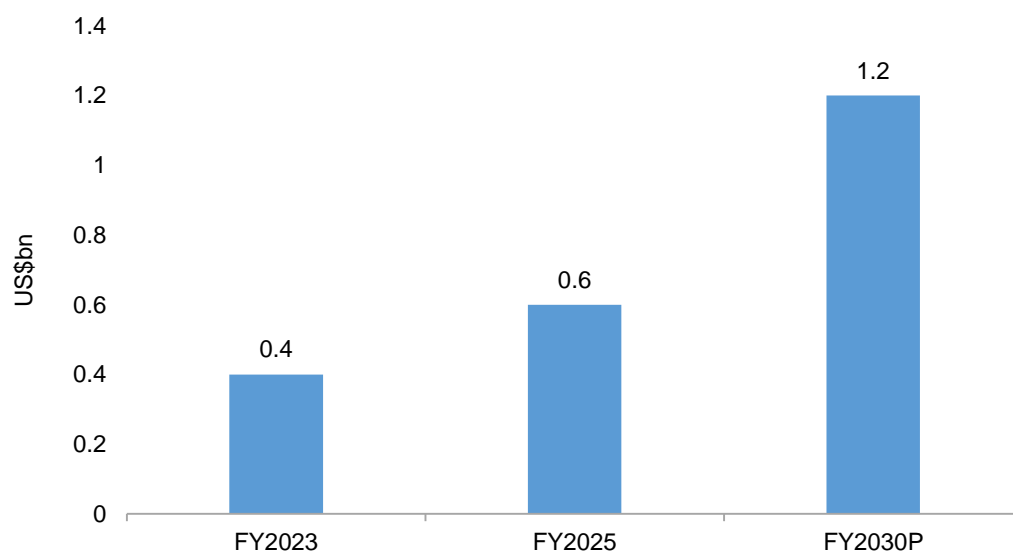
Source: Company, Nirmal Bang Institutional Equities Research

Synergy in Home Services and Appliances

Home services players have a unique advantage in entering the home appliances market, particularly in high-demand categories like water purifiers and electronic door locks. The Indian water purifier market, valued at Rs47-50bn (US\$0.6bn) in FY25. Rising health concerns, better water access, and advanced technologies are driving demand, especially for RO systems with lower lifetime costs and easy maintenance. However, frequent servicing needs (every 6-12 months) create recurring consumer pain points, making post-sale service a key purchase factor. Home services companies, with their deep repair expertise, can leverage insights into common issues (filter clogging, membrane degradation, inefficiencies) to design superior products that improve durability, reduce servicing frequency, and enhance customer satisfaction.

The electronic door lock market in India is at a nascent stage, with household penetration below 0.3% in FY25, far behind global peers (US ~16%, China ~18%, UAE ~7%). Expected to clock 37-40% CAGR, it should reach Rs19.3-20.5bn (US\$0.21bn) by FY30, driven by rising incomes, urbanization, premium housing demand, and smart home integration. Adoption is further supported by builders offering locks in new projects. Given the complexity of installation and consumer concerns over after-sales servicing, home services players enjoy a competitive edge, positioning them strongly to capture this fast-growing category.

Exhibit 16: Water purifier TAM in India



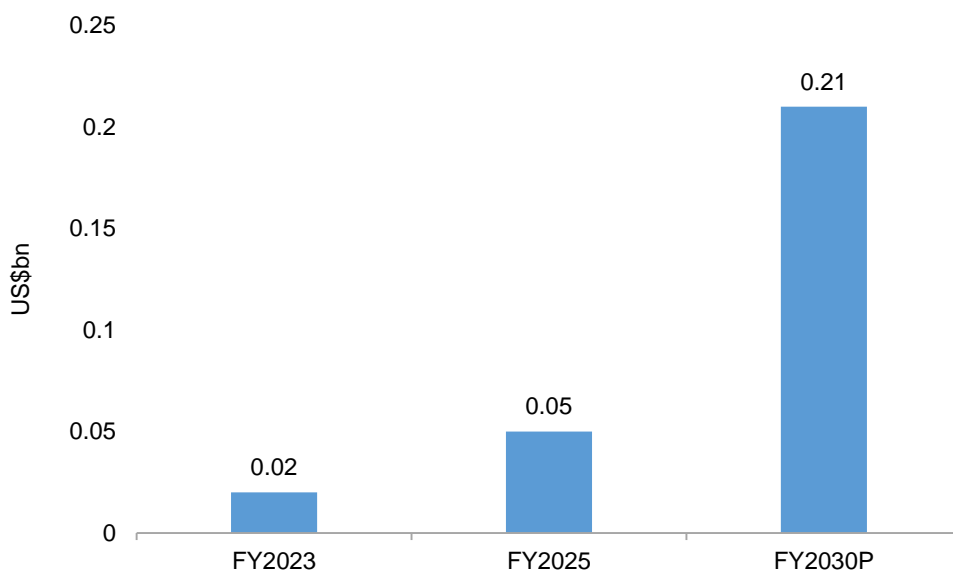
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 17: Water purifier comparison

Model	Price (Approx in Rs)	Stages	Storage (L)	Filtration Type	Copper/Alk./Minerals	Service-Free Period	Digital Display/ App	Special Features	Warranty
Native by Urban Company M1	12,999-14,999	9-10	8	RO+UV+UF+TDS+Alk.	Copper, Alkaline	2 yrs	Yes (IoT App)	Health Booster, Smart Alerts, Wall/Table Mount	2 yrs
Native by Urban Company M2	14,999-18,499	10	8	RO+UV+UF+TDS+Minerals+Alk.	Copper, Minerals	2 yrs	Yes (IoT App)	Smart Alerts, No Service Req.	2 yrs
Aquaguard Aura 2X (Active Copper)	14,999-15,499	10	7	RO+UV+Active Copper+Taste Adj.	Copper	2 yrs (filters)	No	Taste Adjuster, Water Saving, Wall/Table Mount	2 yrs
Livpure Allura Premia	15,990-16,490	10	7	RO+UV+Copper+Alkaline+Mineralizer	Copper, Alkaline	2.5 yrs	No	Anti-Scalant, Mineralizer, Wall/Table Mount	2.5 yrs (filters)
HUL Pureit Wave Pro	8,999-13,499	7	7	RO+MF+UV+Minerals	Minerals	2 yrs (filters)	No	Smartsense Filt. Alert, LED, Wall/Table Mount	1 yr

Source: Nirmal Bang Institutional Equities Research

Exhibit 18: Electronic door locks TAM in India



Source: Company, Nirmal Bang Institutional Equities Research

Key Risks

- **Intense Competition from Traditional and Online Players:** Intense competition from traditional offline players and online platforms poses a key risk to the business. The markets of operation are fragmented and driven by evolving consumer preferences with new services and offerings emerging regularly. Success depends on the ability to continuously attract both consumers and service professionals while competing on service quality, pricing, brand recognition, user experience, and operational efficiency. Additionally, low online penetration in these markets may further constrain demand, negatively impacting revenues and professional sign-ups.
- **Inability to Attract and Retain Service Professionals:** The platform's growth depends on maintaining and expanding its network of service professionals. Retention is influenced by service variety, earnings potential, training quality, and overall satisfaction. A shortage of professionals, or migration to competing platforms, may reduce consumer appeal. In overseas markets such as UAE, KSA, and Singapore, reliance on foreign professionals through local aggregators creates risks from operational disruptions or visa policy changes. Moreover, margins may come under pressure as the company expands into high-value service categories that require higher payouts to professionals, thus limiting operating leverage. Any such constraints could adversely impact service delivery and business performance.
- **Risk of Platform Circumvention:** Consumers and service professionals may bypass the platform to avoid fees and transact directly, reducing assurance of quality and accountability. Service professionals can also leverage the platform to build reputation and later engage outside it. Despite measures to discourage this, circumvention remains a risk that could materially affect business performance.
- **Dependence on Brand Strength and Reputational Risks:** The growth and financial performance of Urban Company depend heavily on its brand strength and reputation. Negative publicity from media, social platforms, consumer reviews, or protests by service professionals could reduce customer trust, weaken engagement, and trigger regulatory scrutiny or litigation. Incidents such as demonstrations in Jun-24 and objections to AI-related measures in Jun-25 highlight the risk of reputational challenges. Any failure to manage such issues effectively, or perceived lapses in service quality, data protection, or compliance, could materially damage the brand and adversely impact business operations.

Key Management Personnel

- **Abhiraj Singh Bhal – Chairperson, MD & CEO:** Abhiraj Singh Bhal, Promoter of the company, has been associated since Dec-14. He oversees overall strategy, growth, operations, and investor relations. He holds degrees from IIT Kanpur and IIM Ahmedabad and has over 13 years of experience, including prior association with the Boston Consulting Group.
- **Raghav Chandra – Executive Director & Chief Technology and Product Officer:** Raghav Chandra, Promoter of the company, has been associated since Dec-14. He leads product technology, design, and automation. He holds a bachelor's degree from the University of California, Berkeley and has over 10 years of experience, including prior association with Twitter, Inc.
- **Varun Khaitan – Executive Director & Chief Operating Officer:** Varun Khaitan, Promoter of the company, has been associated since Dec-14. He oversees business operations across services and products in India and overseas. He holds a bachelor's degree in electrical engineering from IIT Kanpur and has over 10 years of experience, including prior association with Qualcomm and the Boston Consulting Group.

Financials

Exhibit 19: Income statement

Y/E March (Rsmn)	FY23	FY24	FY25
Net Sales	6,366	8,280	11,445
Growth YoY %	-	30%	38%
Gross profit	5,288	6,988	9,319
Gross margin %	83%	84%	81%
Staff costs	3,771	3,448	3,501
% of sales	59%	42%	31%
Other expenses	5,160	5,006	6,133
% of sales	81%	60%	54%
EBITDA	-3,642	-1,467	-315
Growth YoY %	-	60%	79%
EBITDA margin %	-57%	-18%	-3%
Depreciation	307	368	370
EBIT	-3,949	-1,835	-685
Interest	72	92	105
Other income	896	1,000	1,162
PBT (bei)	-3,124	-927	372
PBT	-3,124	-927	286
Tax	0.42	0.45	-2,112
PAT	-3,125	-928	2,398

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 21: Balance sheet

Y/E March (Rsmn)	FY23	FY24	FY25
Share Capital	-	-	490
Reserves & Surplus	13,394	12,926	17,468
Net worth	13,395	12,926	17,958
Long term debt	839	863	995
Short term debt	178	179	204
Total debt	1,017	1,041	1,199
Other non-current liabilities	111	157	219
Total Equity & Liabilities	16,312	16,386	22,006
Net Block	203	174	150
Intangible and others	1,003	994	1,119
Other non-current assets	164	176	238
Investments	10,092	7,622	10,911
Trade receivables	107	201	266
Inventories	152	289	415
Cash & Cash equivalents	3,235	5,212	5,907
Other current assets	1,358	1,718	883
Total current assets	14,443	13,106	16,710
Trade payables	909	927	1,105
Other current liabilities	880	1,335	1,525
Total current liabilities	1,967	2,441	2,834
Total Assets	16,312	16,386	22,006

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 20: Cash flow

Y/E March (Rsmn)	FY23	FY24	FY25
PBT	-3,124	-927	286
Depreciation	307	368	370
Interest	-665	-838	-981
Other adjustments	897	531	818
Change in Working capital	220	52	99
Tax paid	-12	-41	-46
Operating cash flow	-2,378	-856	546
Capex	-150	-90	-121
Free cash flow	-2,528	-946	424
Other investing activities	2,837	864	-2,116
Investing cash flow	2,988	954	-1,995
Issuance of share capital	11	-	1,934
Movement of Debt	-269	-294	-299
Other financing activities	5	-5	5
Financing cash flow	-253	-299	1,639
Net change in cash flow	357	-201	190
Opening C&CE	267	622	422
Closing C&CE	622	422	611

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 22: Key ratios

Y/E March	FY23	FY24	FY25
Per share (Rs)			
EPS	-2.2	-0.6	1.7
Book value	2.0	2.4	2.8
Valuation (x)			
P/Sales	23.2	17.9	12.9
EV/sales	22.9	17.4	12.5
P/E	NA	NA	61.7
P/BV	11.0	11.4	8.2
Return ratios (%)			
RoCE	-19%	-6%	11%
RoE	-22%	-7%	13%
Profitability ratios (%)			
Gross margin	83%	84%	81%
EBITDA margin	-57%	-18%	-3%
PAT margin	-49%	-11%	21%
Liquidity ratios (x)			
Current ratio	7.3	5.4	5.9
Quick ratio	7.3	5.3	5.7
Solvency ratio (x)			
Debt to Equity ratio	0.1	0.1	0.1
Turnover ratios			
Fixed asset turnover ratio (x)	31.3	47.5	76.2
Debtor days	6.1	8.8	8.5
Inventory days	8.7	12.7	13.2
Creditor days	52.1	40.9	35.2
Net Working Capital Days	-37.3	-19.3	-13.5

Source: Company, Nirmal Bang Institutional Equities Research

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Team Details:			
Name		Email Id	Direct Line
Rahul Arora	CEO	rahul.arora@nirmalbang.com	-
Krishnan Sambamoorthy	Head of Research	krishnan.s@nirmalbang.com	+91 22 6273 8210
Dealing			
Ravi Jagtiani	Dealing Desk	ravi.jagtiani@nirmalbang.com	+91 22 6273 8230, +91 22 6636 8833
Michael Pillai	Dealing Desk	michael.pillai@nirmalbang.com	+91 22 6273 8102/8103, +91 22 6636 8830

Nirmal Bang Equities Pvt. Ltd.

Correspondence Address

B-2, 301/302, Marathon Innova,
 Nr. Peninsula Corporate Park,
 Lower Parel (W), Mumbai-400013.

Board No. : 91 22 6273 8000/1; Fax. : 022 6273 8010