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**IPO Report**

08<sup>th</sup> Sept '25

**Snapshot**

Urban Company operates a technology-driven, full-stack online services marketplace for quality driven services and solutions across various home and beauty categories. Company operate in 51 cities across India, United Arab Emirates (“UAE”) and Singapore, excluding cities served by company’s joint venture in Kingdom of Saudi Arabia (“KSA”), of which 47 cities are in India, as at June 30, 2025. Company’s platform enables consumers to easily order services, including cleaning, pest control, electrician, plumbing, carpentry, appliance servicing and repair, on demand home-help assistance, painting, skincare, hair grooming and massage therapy. These services are delivered by trained and independent service professionals at the consumers’ convenience. In Fiscals 2023 and 2024, company expanded into home solutions with the launch of water purifiers and electronic door locks, respectively, under the brand name ‘Native’.

**VALUATION**

Company is bringing the issue at price band of Rs 98-103 per share at p/b multiple of approx. 6x on post issue FY25 book value basis.

Company’s multi-category, hyperlocal, home and beauty services marketplace benefits from network effects Company has established brand trusted by consumers with improved quality of service professionals through in-house training and access to tools and consumables. Company has robust technology platform powering service fulfilment, consumer growth and service professional empowerment .Company with innovation and product development capabilities has scale and technological capabilities have helped enhance company’s profitability. Hence, we recommend “Subscribe” to the issue.

<b>Price Band (Rs./Share)</b>	<b>98-103</b>
<b>Opening date of the issue</b>	<b>10<sup>th</sup> Sept '2025</b>
<b>Closing Date of the issue</b>	<b>12<sup>th</sup> Sept '2025</b>
<b>No of shares pre issue</b>	1,39,00,53,450 Eq Shares
<b>Issue Size</b>	Rs 1900 Cr
<b>Fresh issue</b>	Rs 472 Cr
<b>Offer For Sale</b>	Rs 1428 Cr
<b>Face Value (Rs/ share)</b>	Rs 1/share
<b>Bid Lot</b>	145
<b>Employee Discount</b>	Rs 9/share

**BIDDING DETAILS**

<b>QIBs (Including Anchor)</b>	75% of the offer (Approx 50,00,000 Eq Shares)
<b>Non-Institutional</b>	15% of the offer (Approx 15,00,000 Eq Shares)
<b>Retail</b>	35% of the offer (Approx 35,00,000 Eq Shares)
<b>Employee Reservation</b>	Rs 2.5 Cr
<b>Lead managers</b>	Kotak Mahindra Capital, Morgan Stanley, Goldman Sachs (India), JM Financial
<b>Registrar to the issue</b>	MUFG Intime India Pvt. Ltd

**WHAT WE LIKE**

***Company’s multi-category, hyperlocal, home services marketplace benefits from network effects***

Company operate company’s platform at a hyperlocal level to minimize the travel distances for the service professionals and ensure faster fulfilment times for its consumers. Each city is divided into multiple micro markets, each with a fleet of service professionals and a typical radius of 3-5 km. The size of the micro market varies by service category and is determined by the density of the consumer demand. For categories with a large consumer base with high frequency, company design smaller micro markets due to sufficient demand within a compact area

***Established brand trusted by consumers***

Urban Company’ was India’s highest searched online home services fullstack platform brand on Google trends between January 2024 and March 2025. As on June 30, 2025, company’s platform has facilitated transactions for 14.59 million unique consumers across all geographies where company have operated since inception. Notably, company have onboarded 6.81 million consumers, i.e., 46.67% of total consumers between July 1, 2022 and June 30, 2025. Company’s marketplace benefits from network effects which drive and reinforce brand affinity and repeat behavior among its consumers and service professionals..

***Promoter led company with a professional management team and an experienced board***

Company’s three promoters, namely Abhiraj Singh Bhal, Varun Khaitan, and Raghav Chandra, each have over 10 years of experience in the home services and technology industries. They lead the day-to-day operations of company and serve as Executive Directors on company’s Board.



## COMPANY BACKGROUND

Company is focused on enabling delivery of a quality driven, standardized and reliable service experience. To achieve this, company have engaged a select network of background verified independent service professionals, empowering them with comprehensive support. This includes detailed in-house training, established standard operating procedures, access to technology, tools and consumables, third party financing, insurance, and branding assistance. This approach enables the service professionals to improve their skills, enhance quality of service delivery and increase their earning potential.

As per the Redseer Report, the home services industry in India has a large market opportunity with a total addressable market (“TAM”) of approximately US\$60 billion in Fiscal 2025, which is expected to grow at a compounded annual growth rate (“CAGR”) of 10-11%, reaching US\$100 billion in Fiscal 2030 driven by rising urbanization and increasingly busy lifestyles; whereas the home services industry in India is largely unorganized, fragmented, and offline, with online penetration of less than 1.0%, as of Fiscal 2025 based on net transaction value. As per the Redseer Report, consumers face the twin challenges of poor access to quality supply and inconsistent service quality while service professionals suffer from a lack of predictability of demand for their services and often rely on intermediaries, thereby resulting in sub-optimal earnings.

Company operate its business under three business segments which are (a) India consumer services; (b) Native; and (c) International business:

*(a) India consumer services:* Company’s consumers can access services across home, beauty and wellness services. Home services include categories such as cleaning, pest control, servicing and repair of appliances, handyman services (electrical, plumbing and carpentry), InstaHelp and painting and wall décor. Beauty and wellness include services such as skincare and haircare services for women, grooming services for men and massage therapy for both men and women. Company have structured its service categories into standard service units (“SSUs”), each with defined service parameters, standard operating procedures, price and in several cases, prescribed products for use during their service delivery. In addition, company sell tools and consumables (collectively, the “products”) to the service professionals which they can choose to buy from company, for use during their service delivery. Company procure these products from certain brands, some of which are exclusively manufactured for company.

*(b) Native:* Company sell water purifiers and electronic door locks to consumers in and outside India.

*(c) International business:* Company’s consumers can access home and beauty services in UAE, Singapore and KSA through its marketplace. Company also provide tools and consumables to service professionals for use during service delivery. While company launched its services in KSA in April 2021, company transitioned to providing services through a joint venture with effect from January 1, 2025.

### *Service professional empowerment*

In three months ended June 30, 2025, company had 54,347 average monthly active service professionals on company’s platform, i.e., a service professional who has delivered at least one service during a given month. This figure is calculated by averaging the number of such professionals across all months in a specified period / year. Company empower service professionals with in-house training and access to tools and consumables, and company have helped them improve their earning potential while enabling them to maintain flexibility in their daily schedule. As per the Redseer Report, the service professionals associated with company, on average, earn 30-40% more than their peers who are not associated with any platform in Fiscal 2025.

### *Technology enabled platform*

Company leverage data and technology for delivery of services to the consumers on its platform. Company’s business leverages technology to streamline operations and consumer experiences. Company offer seamless discovery of the services it offer, use data-driven demand-supply matching at micro market level and empower service professionals with on-job assistance and enable service professionals to order relevant tools and consumables. This tech-driven approach has fueled company’s growth and improved consumer ratings.



## INVESTMENT RATIONALE

<i>Scale and technological capabilities have helped company achieve its profitability</i>	Company is uniquely positioned to grow market share in the online home and beauty services industry by addressing key challenges faced by both consumers and service professionals. Since inception in November 2014 until June 2025, the service professionals have completed over 97.45 million service orders in India using company's platform, creating a strong foundation for growth. Company's scalable platform and technology stack enables company to enter new cities and service categories with ease. Company have observed a consistent increase in the number of annual transacting consumers on company's platform, along with a corresponding rise in their spending on its platform in the three months ended June 30, 2025 and 2024 and Fiscals 2025, 2024 and 2023.
<i>Innovation and product development capabilities</i>	Company have a track record of deploying innovative product solutions at scale to service professionals. According to the Redseer Report, company have been at the forefront of launching innovative products focused on standardizing and improving service quality such as foam jet pump for AC servicing, co-pilot for diagnosis of malfunctioning appliances and roll-on wax for more convenient and hygienic waxing, which have been widely adopted by the industry.
<i>Robust technology platform powering service fulfilment, consumer growth and service professional empowerment</i>	Company is a technology-driven company, with technology embedded in all important areas of company's business operations. As company gain new insights in a particular service category or geography, it aim to apply its learnings consistently across company's business operations thereby creating a unified technology stack for its business operations, independent of specific categories or geographies. This enables company to scale by launching various hyperlocal services while enabling quality control and reducing the time from introducing pilot projects to scaling them into full-fledged operations.

## OBJECTS OF OFFER

The Offer comprises a Fresh Issue aggregating up to ₹ 4,720 million by Company and an Offer for Sale, aggregating up to ₹ 14,280 million by the Selling Shareholders.

Requirements of funds

Company proposes to utilize the Net Proceeds towards funding the following objects (collectively, referred to herein as the "Objects"):

1. Expenditure for new technology development and cloud infrastructure;
2. Expenditure for lease payments for company's offices;
3. Expenditure for marketing activities; and
4. General corporate purposes.

## RISKS

Company have incurred net losses and negative operating cash flows in the past. If company is unable to generate adequate revenue growth and increase cost-efficiency, it may not be able to generate positive operating cash flows and maintain profitability in the future, and its viability as an operating business\ will be adversely affected.

Source:RHP



**Consolidated Financials**

(Rs in Mn)

<b>Financials</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>Q1FY26</b>
Total Revenue (A)	6365.97	8280.18	11444.65	3672.67
Total Expenditure (B)	10008.37	9747.19	11760.05	3720.61
EBIDTA	-3642.40	-1467.01	-315.40	-47.94
EBIDTA Margin	-57.22	-17.72	-2.76	-1.31
Other Income	896.41	999.73	1162.12	312.20
Depreciation	306.51	367.99	369.96	95.04
EBIT	-3052.50	-835.27	476.76	169.22
Interest	71.92	92.00	104.75	26.83
PBT	-3124.42	-927.27	372.01	142.39
Share of profit in Asso	0.00	0.00	-86.48	-86.04
PBIT	-3124.42	-927.27	285.53	56.35
Exceptional	0.00	0.00	0.00	0.00
PBT	-3124.42	-927.27	285.53	56.35
Tax	0.42	0.45	-2112.12	-13.03
PAT	-3124.84	-927.72	2397.65	69.38
NPM	-49.09	-11.20	20.95	1.89
ROE%	-23.33	7.18	13.35	0.38
EPS	-2.25	-0.66	1.66	0.05
Eq Cap	0.17	0.17	489.77	489.77
Net Worth	13,394.62	12,926.41	17,958.21	18296.75

(Source: RHP)



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