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CM RATING 45 /100

# Urban Company

## Online marketplace for home services

**Offers home, beauty and wellness services across 51 cities across India, United Arab Emirates and Singapore**

Urban Company, promoted by Abhiraj S Bhal, Raghav Chandra and Varun Khaitan, operates a technology-driven, full-stack online marketplace for quality driven services and solutions across various home and beauty categories. Its platform enables consumers to easily order services, including cleaning, pest control, skincare, massage, appliance repair, handyman, on-demand home-help, painting and wall décor, delivered by trained and independent service professionals at consumers' convenience.

Additionally, in FY23 and FY24 it expanded into home solutions with the launch of water purifiers and electronic door locks respectively under the brand name 'Native'. Both water purifiers and electronic door locks are manufactured by third-party contract manufacturers.

In January 2025, it launched 'InstaHelp' as a new service category, which is designed to address the daily cleaning and housekeeping needs of households, especially during periods when regular domestic help is unavailable. Service professionals can become available as quickly as 15 minutes from the time of the consumer's booking on company's platform, subject to the availability of the service professionals. The service professionals for InstaHelp can render a range of services, including cleaning, mopping, laundry, and basic meal preparation. As of June 30, 2025, InstaHelp was live in micro-markets across Mumbai, Delhi NCR, Hyderabad, and Bangalore. It also introduced wall panel services for home decor in Fiscal 2024.

In the three months ended June 30, 2025, it had 54,347 average monthly active service professionals on its platform, i.e., a service professional who has delivered at least one service during a given month. As of June 30, 2025, it was present in 51 cities across India, United Arab Emirates and Singapore, excluding cities served by its Kingdom of Saudi Arabia (KSA) joint venture.

Currently its business operations are divided into three businesses: India consumer services (ICS), international business and Native brands of products.

Under ICS, 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. In addition, it sells tools and consumables (collectively, the products) to the service professionals which they can choose to buy from the company, for use during their service delivery. The company procures these products from certain brands, some of which are exclusively manufactured for it.

Similarly, the international business comprises offering of home and beauty services to customers in UAE, Singapore and Kingdom of Saudi Arabia (through JV with effect from January 1, 2025) through its marketplace. The company also provides tools and consumables to service professionals for use during service delivery.

It leverages data and technology for delivery of services to the consumers on its platform. The company's business leverages technology to streamline operations and consumer experiences. The company empower

service professionals with in-house training and access to tools and consumables, and it believe it have helped them improve their earning potential while enabling them to maintain flexibility in their daily schedule. Typically, the service professionals associated with the company's platform, on an average, earned 30-40% more than their peers who are not associated with any platform in Fiscal 2025.

As on June 30, 2025, 14.59 million consumers across India and international markets where it has presence transacted on its marketplace at least once since the date of incorporation. Notably, it had onboarded 6.81 million consumers, i.e., 46.67% of total consumers between July 1, 2022, and June 30, 2025. Moreover, Urban Company was India's highest searched online home services full stack platform brand on Google trends between January 2024 and March 2025.

The company primarily earns revenue (i) through the platform services provided to its consumers; (ii) from sale of products to service professionals for use during delivery of services through the platform; and (iii) from sale of its native products to the consumers.

In FY25, about 77% of revenue came from India consumer services segment (both services and sale of products together), international business 12.8% and the Native brand of products sales 10.1%.

### **The issue, objects of the offer**

The issue comprises both fresh issue of shares aggregating up to Rs 472 crore and offer for sale of Rs 1428 crore all by the investor selling shareholders (ISSH). On post issue expanded equity, the ISSH, i.e., Accel India (Mauritius), Bessemer India Capital, Elevation Capital V, Internet Fund V and VYC11 holds about 7.5%, 5.43%, 8.73%, 2.19% and 7.91% stake.

Of the net proceeds from fresh issue the company propose to utilize Rs 190 crore towards funding expenditure for new technology development and cloud infrastructure; Rs 75 crore towards expenditure for lease payments for its offices; Rs 90 crore towards expenditure for marketing activities; and balance towards general corporate purposes.

### **Strengths**

Established brand trusted by consumers

Robust technology platform powering service fulfilment, consumer growth and service professional empowerment

Improved quality of service professionals through in-house training and access to tools and consumables

Multi-category, hyperlocal, home services marketplace benefits from network effects

Annual household penetration of the company in top 200 cities is 7.8% in Fiscal 2025, which represents a long-term growth opportunity.

Strong balance sheet with strong net cash position.

### **Weaknesses**

Faces intense competition from traditional offline players that may result in reduced demand for services on its platform. Further inability to attract/retain of service professionals signed to its platform will make the platform less appealing. Success of the business depends on its ability to provide a satisfactory experience to consumers at competitive rates.

Incurred losses at operating profit level for FY23, FY24 and FY25 as well as Q1FY6. It also incurred net losses and negative operating cash flows in the past.

Consumers and service professionals may circumvent the platform and engage through other means, thereby adversely impacting its business.

Limited operating history in some of its business lines such as products under the Native brand, InstaHelp offerings, small home project offerings, wall panel services for home decor and cleaning subscription services.

Exposed to many types of operational risk, including the risk of improper, harmful or otherwise inappropriate activity and oversight errors by employees, consumers, service professionals and third parties.

The business of the company is subject to seasonality, which may result in seasonal fluctuations in operating results and cash flows.

#### Valuation

Revenues of the company for the fiscal ended March 2025 was up by 38% to Rs 1144.47 crore. But with the operating profit margin being -2.8 compared to -17.7% in the corresponding previous period, the operating loss moderated to Rs 31.54 crore against loss of Rs 146.70 crore in the corresponding previous period. Gained by higher other income (up 16% to Rs 116.21 crore) and tax write-back (Rs 211.21 crore against an provision of Rs 0.05 crore) the net profit was Rs 239.77 crore.

For the quarter ended June 2025, sales were up 31% to Rs 367.27 crore and the operating loss was Rs 4.79 crore with OPM being -1.3%. Eventually, net profit was down by 45% to Rs 6.94 crore.

TTM sales for the period ended June 2025 was Rs 1230.88 crore and the operating loss was Rs 32.97 crore with OPM being -2.7%. Eventually the net profit was Rs 234.08 crore gained by higher other income and tax write-back.

On post issue expanded equity, the EPS for FY2025 stood at Rs 1.7 and the TTM EPS for period ended Jun 2025 was Rs 1.8. The upper price of Rs 103, discounts the FY25 and TTM EPS by about 60.6 times and 57.2 times, respectively. The price to book-value stands at 6.2 times. EV/sales (TTM ended Jun 2025) is 11.6 times.

The company has no comparable listed peers with mirror business profile.

Urban Company: Issue Highlights	
Fresh Issue (in Rs. Crore)	472.00
Offer for sale (in Rs. Crore)	1428.00
Price band (Rs.)*	
Upper	103
Lower	98
Post-issue equity (Rs crore)	
Upper	143.59
Lower	143.82
Post-issue promoter (including promoter group) stake (%)	20.43
Minimum Bid (in nos.)	145
Issue Open Date	10-09-2025
Issue Close Date	12-09-2025
Listing	BSE, NSE
Rating	45 /100

Urban Company: Consolidated Financials					
	2303 (12)	2403 (12)	2503 (12)	2406 (3)	2506 (3)
Sales	636.60	828.02	1144.47	280.86	367.27
OPM (%)	-57.2	-17.7	-2.8	-1.2	-1.3

OP	-364.24	-146.70	-31.54	-3.36	-4.79
Other income	89.64	99.97	116.21	27.08	31.22
PBIDT	-274.60	-46.73	84.67	23.72	26.43
Interest	7.19	9.20	10.48	2.30	2.68
PBDT	-281.79	-55.93	74.20	21.42	23.74
Depreciation	30.65	36.80	37.00	8.80	9.50
PBT	-312.44	-92.73	37.20	12.62	14.24
EO Exp	0.00	0.00	0.00	0.00	0.00
PBT after EO	-312.44	-92.73	37.20	12.62	14.24
Tax	0.04	0.05	-211.21	0.00	-1.30
PAT	-312.48	-92.77	248.41	12.62	15.54
P/(L) from discontinued operations	0.00	0.00	0.00	0.00	0.00
Share of profit from Associates (SoPA)	0.00	0.00	-8.65	0.00	-8.60
Minority Interest	0.00	0.00	0.00	0.00	0.00
Net profit	-312.48	-92.77	239.77	12.62	6.94
EPS (Rs)*	-2.2	-0.6	1.7	0.4	0.4
** on post issue equity (on upper price band) of Rs 143.59 crore. Face Value: Rs 1					
EPS is calculated after excluding EO and relevant tax					
# EPS can not be annualised due to seasonality in operations					
Figures in Rs crore					
Source: Capitaline Corporate database					