

IPO Note: Urban Company Ltd.

Industry: Services

Date: September 08, 2025

Issue Snapshot		Issue Break up		
Company Name	Urban Company Ltd.	QIB ex Anchor	30%	5,52,66,990
Issue Opens	September 10, 2025 to September 12, 2025	Anchor Investor	45%	8,29,00,485
Price Band	Rs. 98 – Rs. 103	HNI<Rs. 10 Lakhs	5%	92,11,165
Bid Lot	145 Equity Shares and in multiples thereof.	HNI>Rs. 10 Lakhs	10%	1,84,22,330
The Offer	Public issue of 18,44,66,019 Equity shares of Face value Rs. 1 each, (Comprising of fresh issue of 4,58,25,243 Equity Shares* (Rs. 472 cr.) and Offer for Sale of 13,86,40,777 Equity Shares* (Rs. 1,428 cr.) by Selling Shareholder).	RII	10%	1,84,22,330
		Total Public	100%	18,42,23,301
Issue Size	Rs. 1,900.0 Crores	Employee Reservation		2,42,718
IPO Process	100% Book Building	Total		18,44,66,019
Face Value	Rs. 1.00			
Exchanges	NSE & BSE	Equity Share Pre Issue (Nos. Cr.)		139.0
BRLM	Kotak Mahindra Capital Co. Ltd., Morgan Stanley India Co. Pvt. Ltd., Goldman Sachs (India) Securities Pvt. Ltd., JM Financial Ltd.	Fresh Share (Nos. Cr.)		4.6
		OFS Share (Nos. Cr.)		13.9
Registrar	MUFG Intime India Pvt. Ltd.	Equity Share Post Issue (Nos. Cr.)		143.6
		Market Cap (Rs. Cr.)		14,789.6
		Equity Dilution		3.2%
		Stake Sale by OFS		9.7%

Objects of the Offer

Offer for Sale

The Company will not receive any proceeds of the Offer for Sale by the Selling Shareholder. (up to Rs. 3,900 million by Accel India IV (Mauritius) Ltd., up to Rs. 1,730 million by Bessemer India Capital Holdings II Ltd., up to Rs. 3,460 million by Elevation Capital V, up to Rs. 3,030 million by Internet Fund V Pte. Ltd. and up to Rs. 2,160 million by VYC11 Ltd.)

Fresh Issue

- Expenditure for new technology development and cloud infrastructure (Rs. 190 cr.);
- Expenditure for lease payments for offices (Rs. 75 cr.);
- Expenditure for marketing activities (Rs. 90 cr.); and
- General corporate purposes.

Company Highlights

- Urban Company Ltd. (UCL) operates a technology-driven, full-stack online services marketplace for quality driven services and solutions across various home and beauty categories. It operates in 51 cities across India, United Arab Emirates (UAE) and Singapore, excluding cities served by its joint venture in Kingdom of Saudi Arabia (KSA), of which 47 cities are in India, as at June 30, 2025. UCL'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 FY23 and FY24, it expanded into home solutions with the launch of water purifiers and electronic door locks, respectively, under the brand name 'Native'. The company also recently launched, and is in the process of scaling up, it's on demand home-help assistance (InstaHelp) offering in specific micro markets across a number of cities in India.
- It is focused on enabling delivery of a quality driven, standardized and reliable service experience. To achieve this, it has 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.

- It operates business under three business segments which are
 - a) India Consumer Services: Consumers can access services across home, beauty and wellness services. The company has structured its service categories into standard service units, each with defined service parameters, standard operating procedures, price and in several cases, prescribed products for use during service delivery.
 - b) Native: The company sell water purifiers and electronic door locks to consumers in and outside India.
 - c) International Business: Consumers can access home and beauty services in UAE, Singapore and KSA through its marketplace. It also provide tools and consumables to service professionals for use during service delivery.
- In 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. This figure is calculated by averaging the number of such professionals across all months in a specified period / year. UCL empower service professionals with in-house training and access to tools and consumables, and thus the company has 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 it, on average, earn 30-40% more than their peers who are not associated with any platform in FY25.

View

- UCL is a technology driven, full-stack online services marketplace for quality driven solutions and services in 51 cities across India, United Arab Emirates (UAE) and Singapore. The market of Saudi Arabia is served through a JV. The company's platform enables customers to easily order services like cleaning, pest control, electrician, plumbing, carpentry, appliance servicing and repair, on demand home-help assistance, painting, skincare, hair grooming, massage therapy, etc which are delivered by trained and independent service professionals.
- 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 FY25, which is expected to grow at CAGR of 10-11%, reaching US\$100 billion in FY30 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 FY25 based on net transaction value.
- UCL has a track record of being at the forefront of launching innovative products which are focused on standardizing and improving service quality. It has expanded into home solutions by selling water purifiers (FY23) and electronic door locks (FY24) under the brand 'Native'. The company has launched 'InstaHelp", a new service category in Jan'25 and has also expanded its offerings under home services to include small home painting projects and wall panel services for home décor.
- UCL operates its platform at a hyperlocal level to minimize travel distance and ensure faster fulfillment by service professionals. It divides each city into multiple micro-market (typical radius of 3-5 km) with the size varying by density of customer demand and service category. As the penetration in the micro market increases, the company expands the assortment of service offerings, strengthening its value proposition.
- The company intend to further expand its presence in India beyond the cities that it currently operates in. It is currently focused on top 200 cities in India, which represent the minimum demand density for its business to operate efficiently. This will enable it to offer services on its platform to a larger audience and drive growth in new markets. As per the Redseer Report, in FY25, approx 38% of Serviceable Addressable Market exists in the top 8 cities in India and the remaining 62% of Serviceable Addressable Market exists in the following 192 cities in India.
- The company periodically evaluate new opportunities within large, underserved, addressable markets where it believes it can effectively address consumer challenges. Additionally, it is committed to innovating its existing service categories and introducing new sub-categories to enhance the service offerings on its platform. It has recently launched water purifiers and electronic door locks under its Native brand.
- In terms of the valuations, on the higher price band, UCL demands P/E multiple of 61.7x post issue FY25 EPS and Market Cap/Sales multiple of 12.9x.

Key Performance Indicator

		FY23	FY24	FY25	Q1FY25	Q1FY26
Consolidated Business						
Net Transaction Value	in Rs. Cr.	2077.9	2563.9	3270.9	859.2	1030.6
Revenue from operations	in Rs. Cr.	636.6	828.0	1144.5	280.9	367.3
Contribution margin	% of NTV	16.5%	18.8%	19.5%	19.2%	19.7%
Adjusted EBITDA	in Rs. Cr.	-297.7	-119.0	12.1	4.8	21.1
Adjusted EBITDA Margin	% of NTV	-14.3%	-4.6%	0.4%	0.6%	2.0%
Adjusted EBITDA Margin	% of revenue	-46.8%	-14.4%	1.1%	1.7%	5.7%
Profit before tax	in Rs. Cr.	-312.4	-92.7	28.6	12.6	5.6
Deferred tax credit	in Rs. Cr.	-	-	211.2	-	1.3
Profit after tax	in Rs. Cr.	-312.5	-92.8	239.8	12.6	6.9
Annual transacting consumers	in million	4.93	5.75	6.78	6.04	7.02
Average monthly active service professionals	in number	42,523	46,012	47,833	50,992	54,347
India (India consumer services and Native segments)						
Net Transaction Value	in Rs. Cr.	1809.7	2253.4	2822.7	764.4	895.8
Revenue from India consumer services and Native	in Rs. Cr.	573.8	738.3	997.4	249.3	331.4
Adjusted EBITDA	in Rs. Cr.	-176.8	-35.8	48.9	21.0	23.7
Adjusted EBITDA Margin	% of NTV	-9.8%	-1.6%	1.7%	2.8%	2.7%
Adjusted EBITDA Margin	% of revenue	-30.8%	-4.9%	4.9%	8.4%	7.2%
India consumer services segment						
Net Transaction Value	in Rs. Cr.	1805.2	2215.6	2667.2	740.1	816.6
Revenue from operations	in Rs. Cr.	570.0	709.5	881.4	231.0	271.8
Revenue from external customers – Services	in Rs. Cr.	435.6	562.8	694.8	190.8	222.4
Revenue from external customers – Products	in Rs. Cr.	134.5	146.7	186.6	40.3	49.4
Contribution margin	% of NTV	17.7%	19.6%	20.2%	19.7%	20.3%
Adjusted EBITDA	in Rs. Cr.	-175.5	-10.1	87.9	29.7	32.8
Adjusted EBITDA Margin	% of NTV	-9.7%	-0.5%	3.3%	4.0%	4.0%
Adjusted EBITDA Margin	% of revenue	-30.8%	-1.4%	10.0%	12.8%	12.1%
Annual total transacting consumers	in million	4.76	5.59	6.54	5.86	6.78
Average monthly active service professionals	in number	41,177	44,464	45,619	48,983	51,875
Native segment						
Net Transaction Value	in Rs. Cr.	4.5	37.8	155.5	24.3	79.1
Revenue from operations	in Rs. Cr.	3.8	28.8	116.0	18.2	59.5
Adjusted EBITDA	in Rs. Cr.	-1.3	-25.7	-39.0	-8.6	-9.0
Adjusted EBITDA Margin	% of NTV	-27.8%	-68.0%	-25.1%	-35.6%	-11.4%
Adjusted EBITDA Margin	% of revenue	-32.8%	-89.3%	-33.6%	-47.4%	-15.2%
International business segment						
Net Transaction Value	in Rs. Cr.	268.3	310.5	448.2	94.8	134.9
Revenue from operations	in Rs. Cr.	62.8	89.7	147.0	31.6	35.9
Contribution margin	% of NTV	0.8%	1.5%	1.9%	1.8%	1.7%
Adjusted EBITDA	in Rs. Cr.	-120.9	-83.2	-36.8	-16.2	-2.7
Adjusted EBITDA Margin	% of NTV	-45.1%	-26.8%	-8.2%	-17.1%	-2.0%
Adjusted EBITDA Margin	% of revenue	-192.7%	-92.7%	-25.0%	-51.4%	-7.4%
Annual total transacting consumers	in million	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

Financial Statement

(In Rs. Cr)	FY23	FY24	FY25	Q1FY25	Q1FY26
Share Capital	0.02	0.02	48.98	0.02	48.98
Net Worth	1339.5	1292.6	1795.8	1389.6	1829.7
Long Term Borrowings	83.9	86.3	99.5	103.3	97.6
Other Long Term Liabilities	11.1	15.7	21.9	17.1	18.8
Short-term borrowings	17.8	17.9	20.4	19.2	21.6
Other Current Liabilities	178.9	226.2	263.0	220.0	288.7
Fixed Assets	120.6	116.9	127.0	133.7	126.0
Non Current Assets	187.0	211.1	402.7	344.8	416.8
Current Assets	1444.3	1310.6	1671.0	1270.6	1713.6
Total Assets	1631.2	1638.6	2200.6	1749.1	2256.4
Revenue from Operations	636.6	828.0	1144.5	280.9	367.3
Revenue Growth (%)		30.1	38.2		30.8
EBITDA	(364.2)	(146.7)	(31.5)	(3.4)	(4.8)
EBITDA Margin (%)	(57.2)	(17.7)	(2.8)	(1.2)	(1.3)
Net Profit	(312.5)	(92.8)	239.8	12.6	6.9
Net Profit Margin (%)	(49.1)	(11.2)	20.9	4.5	1.9
Earnings Per Share (Rs.)	(2.3)	(0.7)	1.7	0.1	0.1
Return on Networth (%)	(23.3)	(7.2)	13.4	0.9	0.4
Net Asset Value per Share (Rs.)	9.6	9.2	12.5	9.8	12.5

Source: RHP, Ashika Research

Cash Flow Statement

(In Rs. Cr)	FY23	FY24	FY25	Q1FY25	Q1FY26
Cash flow from Operations Activities	(237.8)	(85.6)	54.6	10.0	21.9
Cash flow from Investing Activities	298.8	95.4	(199.5)	(66.0)	(29.3)
Cash flow from Financing Activities	(25.3)	(29.9)	163.9	61.7	(8.2)
Net increase/(decrease) in cash and cash equivalents	35.7	(20.1)	19.0	5.7	(15.6)
Cash and cash equivalents at the beginning of the year	26.7	62.2	42.2	42.2	61.1
Cash and cash equivalents at the end of the year	62.2	42.2	61.1	47.9	45.5

Source: RHP

Comparison with Listed Industry Peers

There are no listed companies in India that are comparable in all aspects of business and services that the Company provides. Hence, it is not possible to provide an industry comparison in relation to the Company.

ANALYST CERTIFICATION

The undersigned analyst hereby certifies that all the opinions presented in this report accurately reflect their personal views regarding the subject securities, issuers, products, sectors, or industries. No part of their compensation has been, is, or will be directly or indirectly tied to specific recommendations or views expressed in this report. The analyst assumes primary responsibility for the creation of this research report and has diligently endeavored to establish and maintain independence and objectivity in formulating any recommendations.

Investors are strongly advised to carefully consider all relevant risk factors, including their financial condition and suitability to risk-return profiles, and to seek professional advice before making any investment decisions.



Ashika Stock Broking Limited (ASBL) commenced its operations in 1994 and is currently a trading and clearing member of various prominent stock exchanges, including BSE Limited (BSE), National Stock Exchange of India Limited (NSE), Metropolitan Stock Exchange of India Limited (MSEI), National Commodity and Derivative Exchange (NCDEX), and Multi Commodity Exchange (MCX). ASBL is dedicated to offering a comprehensive range of services to its esteemed clients, encompassing broking services, depository services (both CDSL and NSDL), and the distribution of financial products such as mutual funds, IPOs, and bonds.

Recognized as a "Research Entity" under SEBI (Research Analyst) Regulations 2014 since 2015 (Registration No. INH000000206), ASBL operates as a wholly-owned subsidiary of Ashika Global Securities (P) Ltd., a non-deposit-taking NBFC company registered with the Reserve Bank of India (RBI). The broader Ashika Group, with detailed information available on our website (www.ashikagroup.com), serves as an integrated financial service provider involved in diverse activities, including Investment Banking, Corporate Lending, Debt Syndication, and other advisory services.

Over the past three years, ASBL has not faced any substantial or material disciplinary actions imposed by regulatory authorities. Nonetheless, routine inspections conducted by SEBI, Exchanges, and Depositories have identified certain operational deviations. In response to these observations, advisory letters or minor penalties have been issued by the relevant authorities.

DISCLOSURE

ASBL prepares and distributes research reports solely in its capacity as a Research Analyst under SEBI (Research Analyst) Regulations 2014. The disclosures and disclaimer provided herein are integral components of all research reports being disseminated.

- 1) ASBL, its associates, and its Research Analysts (including their relatives) may hold a financial interest in the subject company(ies). This financial interest extends beyond merely having an open stock market position and may include acting as an advisor to, or having a loan transaction with, the subject company(ies), in addition to being registered as clients.
- 2) ASBL and its Research Analysts (including their relatives) do not possess any actual or beneficial ownership of 1% or more of securities in the subject company(ies) at the conclusion of the month immediately preceding the publication date of the source research report or the date of the relevant public appearance. Nevertheless, it is noted that associates of ASBL may hold actual or beneficial ownership of 1% or more of securities in the subject company(ies).
- 3) ASBL and its Research Analysts (including their relatives) do not possess any other material conflict of interest at the time of publishing the source research report or the date of the relevant public appearance. It is important to note, however, that associates of ASBL may have an actual or potential conflict of interest, distinct from ownership considerations.
- 4) ASBL or its associates may have received compensation for investment banking, merchant banking, and brokerage services, from the subject companies within the preceding 12 months. However, it is important to clarify that neither ASBL, its associates, nor its Research Analysts (who are part of the Research Desk) have received any compensation or other benefits from the subject companies or third parties in relation to the specific research report or research recommendation. Furthermore, Research Analysts have not received any compensation from the companies mentioned in the research report or recommendation over the past twelve months.
- 5) The subject companies featured in the research report or recommendation may be a current client of ASBL or may have been a client within the twelve months preceding the date of the relevant public appearance, particularly for investment banking, merchant banking, or brokerage services.
- 6) ASBL or its Research Analysts have not been involved in managing or co-managing public offerings of securities for the subject company(ies) within the past twelve months. However, it is worth noting that associates of ASBL may have managed or co-managed public offerings of securities for the subject company(ies) in the past twelve months.
- 7) Research Analysts have not held positions as officers, directors, or employees of the companies mentioned in the report or recommendation.
- 8) Neither ASBL nor its Research Analysts have been engaged in market making activity for the companies mentioned in the report / recommendation.

DISCLAIMER

The research recommendations and information provided herein are intended solely for the personal use of the authorized recipient and should not be construed as an offer document or as investment, legal, or taxation advice, nor should it be considered a solicitation of any action based upon it. This report is strictly not for public distribution or use by any individual or entity in jurisdictions where such distribution, publication, availability, or utilization would contravene the law, regulation, or be subject to registration or licensing requirements.

Recipients of this report will not be treated as customers merely by virtue of receiving it. The content is derived from information obtained from public sources deemed reliable, but we do not guarantee its accuracy or completeness. All estimates, expressions of opinion, and other subjective judgments contained herein are as of the date of this document and are subject to change without notice.

Recipients should conduct their own investigations and due diligence. ASBL disclaims any responsibility for any loss or damage that may result from inadvertent errors in the information contained in this report. Past performance should not be relied upon as a guide for future performance; future returns are not guaranteed, and the possibility of loss of capital exists.