Urban Company

IPO NOTE

Issue Details
Price Band: ₹ 98 to ₹ 103
Employee Discount: ₹ 9/Share
Issue Opens on: September 10, 2025
Issue Closes on: September 12, 2025
Lot Size: 145 Shares & in Multiples thereafter

Issue Highlights	
Issue Size:	**₹ 1,900 Cr.**
No of Shares:	**18,44,66,018**
Face Value:	**₹ 1**

Offer Structure	
Issuance	**₹ in Cr.**
Fresh Issue	472.00
Offer for Sale	1,428.00
Total	**1,900.00**

Issue Breakup		
Reservation for	**% of Issue**	**₹ in Cr. (at upper band)**
QIB	75	1,423.13
HNI	15	284.63
RETAIL	10	189.75
Employee	-	2.50
TOTAL	**100**	**1,900.00**

Listing
BSE & NSE

Lead Managers
- Kotak Mahindra Capital Co. Ltd.
- Morgan Stanley India Co. Pvt. Ltd.
- Goldman Sachs (India) Securities Pvt. Ltd.
- JM Financial Limited

Registrar
MUFG Intime India Pvt Ltd

Contact Details

Analyst

Swapneel Mantri

swapneel.mantri@sushilfinance.com

022-40936034

Sales

Manan Divan

manan.divan@sushilfinance.com

022-40936091/+91 9819819979

COMPANY OVERVIEW

Urban Company operates a technology-driven, full-stack online services marketplace for quality driven services and solutions across various home and beauty categories. They operate in 51 cities across India, United Arab Emirates ("UAE") and Singapore, excluding cities served by joint venture in Kingdom of Saudi Arabia ("KSA"), of which 47 cities are in India, as at June 30, 2025.

The 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. In Fiscals 2023 and 2024, they expanded into home solutions with the launch of water purifiers and electronic door locks, respectively, under the brand name 'Native'. They have also recently launched, and are in the process of scaling up, on demand home-help assistance ("**InstaHelp**") offering in specific micro markets across a number of cities in India.

As of June 30, 2025, the company's platform has facilitated transactions for 14.59 million unique consumers across all geographies where it has operated since inception. The company has onboarded 6.81 million consumers, i.e., 46.67% of total consumers between July 1, 2022 and June 30, 2025.

HIGHLIGHTS

1. Multi-category, hyperlocal, home services marketplace benefits from network effects
2. Established brand trusted by consumers
3. Improved quality of service professionals through in-house training and access to tools and consumables
4. Robust technology platform powering service fulfilment, consumer growth and service professional empowerment
5. Innovation and product development capabilities
6. Scale and technological capabilities have helped the company achieve profitability

OBJECTS OF THE ISSUE

1. Expenditure for new technology development and cloud infrastructure (₹ **190 Cr.**)
2. Expenditure for lease payments for the offices (₹ 75 Cr.)
3. Expenditure towards marketing activities (₹ 90 Cr.)
4. General Corporate Purposes

Offer for Sale Equity Shares aggregating to ₹ 1,428 Cr. The company will not receive any proceeds from the Offer for sale.

OUR VIEW

Urban Company, incorporated in December 2014, is a technology-led, full-stack marketplace that connects consumers with a wide range of home and beauty services. In the quarter ending June 2025, the platform had around 54,347 average monthly active service professionals and 70.2 lakhs annual transacting customers.

To support its professionals, Urban Company provides training, tools, financing, insurance, and branding opportunities, improving both service standards and earning potential. As per the Redseer Report, the home services industry in India is expected to grow at a CAGR of 10-11%, reaching US$100 billion in Fiscal 30 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.

However, Risks to consider are high Competition and Market Penetration, Customer Satisfaction, Challenges of Managing Growth, International Uncertainty, Regulatory Hurdles, ability to attract and retain service professionals on the platform, Limited History in New Business Lines, Dependence on Brand and Reputation, Losses and Cash Flow Concerns can affect the business and financial results.

On the financial front, the company has delivered CAGR of 34% revenue growth between FY23-FY25. It turned profitable in just FY25. The company operated on an adjusted EBITDA margin of 5.74% for Q1FY26. Net Transaction Value, increased by 28% YoY in FY25. Annual transacting consumers, which shows the number of unique customers who used the platform in a year, rose from 57.5 lakh in FY24 to 67.8 lakh in FY25. Contribution margin improved from 18.81% in FY24 to 19.53% in FY25.

The issue is priced at a P/BV of 8.25 based on its NAV of Rs. 12.48 as at Q1FY26. If we attribute FY26 earnings, then the asking price is at a P/E of ~515x and FY25 P/E stands at ~60x. As per RHP there are no listed peers. Urban Company gives investor an opportunity to invest in India's dynamic gig economy. Looking at all the factors, risks, opportunities and valuation and also the advantage of first mover, investors can invest with long term horizon.

Brief Financials

PARTICULARS				₹ in Million
	As at June 2025	FY '25	FY '24	FY '23
Total Income	3,672.67	11,444.65	8,280.18	6,365.97
Total Expenditure	3,842.48	12,234.76	10,207.18	10,386.80
EBITDA	(47.94)	(315.40)	(1,467.01)	(3,642.40)
Profit before Tax	56.35	285.53	(927.27)	(3,124.42)
Profit after Tax	69.38	2,397.65	(927.72)	(3,124.84)
E.P.S. (Diluted)	0.05	1.65	(0.66)	(2.25)
P/E (x) (Diluted)	-	60	-	-
RONW (%)	0.38	13.35	(7.18)	(23.33)

PRICE CHART (@ ₹ 103) (Retail Category)

LOT SIZE	Amount
145	14,935
290	29,870
435	44,805
580	59,740
725	74,675
870	89,610
1,015	104,545
1,160	119,480
1,305	134,415
1,450	149,350
1,595	164,285
1,740	179,220
1,885	194,155

HNI Payment Chart

Category	No. of Shares	Minimum Bid Lot Amount (Rs.)
Small HNI	2,030	209,090
Big HNI	9,715	1,000,645

Indicative Time Table

Tentative Events	Indicative Dates
Finalisation of Basis of Allotment with the Designated Stock Exchange	15/9/2025
Initiation of refunds/unblocking ASBA Fund	16/9/2025
Credit of Equity Shares to demat accounts of Allottees	16/9/2025
Commencement of trading of the Equity Shares on the Stock Exchanges	17/9/2025

For more details, Please refer RHP,
(https://nsearchives.nseindia.com/content/ipo/RHP_URBANCO.zip)

Disclaimer & Disclosures

SEBI Registration No. INH000000867

This report has been furnished to you for your general information only and should not be reproduced, re-circulated, published in any media, website or otherwise, in any form or manner, in part or as a whole, without the express consent in writing of Sushil Financial Services Private Limited. This Research Report is meant solely for use by the original recipient to whom it is sent and is not for circulation. Any unauthorized use, disclosure or public dissemination or copying of information (either whole or partial) contained herein is prohibited.

This Report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. The recommendations, if any, made herein are expression of views and/or opinions and should not be deemed or construed to be neither advice/offer for the purpose of purchase or sale of any securities mentioned herein. Past performance is not a guide for future performance, future returns are not guaranteed. Opinions expressed herein are subject to change without notice. Investor should rely on information/data arising out of their own investigations. The Sushil Equity Universe is marked as # and the fundamental reports are marked as ##.

Investors are advised to seek independent professional advice and arrive at an informed trading/investment decision before executing any trades or making any investments. The price and value of the investments referred to in this material and the income from them may go down as well as up, and investor may realize losses on any investments. This Report has been prepared on the basis of publicly available information, internally developed data and other sources believed by us to be reliable. A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com Research Analyst views on Subject Company may vary based on Fundamental and Technical Research. Sushil Financial Services Private Limited or its directors, employees, affiliates or representatives do not assume any responsibility for, or warrant the accuracy, completeness, adequacy and reliability of such information / opinions / views. None of the directors, employees, affiliates or representatives of company shall be liable for any direct, indirect, special, incidental, consequential, punitive or exemplary damages/loss etc whatsoever from the information/opinions/views contained in this Report and investors are requested to use the information contained at their risk

Sushil Financial Services Private Limited (SFSPL) and its connected companies, and their respective Directors, Officers and employees or their relative, may have a long or short position in the subject companies mentioned in the report and it may not be construed as potential conflict of interest with respect to any recommendation and related information and opinions. Reports based on technical and derivative analysis centre on studying charts company’s price movement, outstanding positions and trading volume, as opposed to focusing on a company’s fundamentals and, as such, may not match with a report on a company’s fundamental analysis. SFPSL has different business segments/Divisions with independent research and maintains arm’s length distance catering to different set of customers having various objectives, risk profiles, investment horizon, etc. and therefore may at times have different contrary views on stocks sector and markets. Research Report may differ between SFSPL’s RAs on account of differences in research methodology, personal judgment and difference in time horizons for which recommendations are made. User should keep this risk in mind and not hold - SFSPL, its employees and associates responsible for any losses, damages of any type whatsoever.

This Report is not intended to be a complete statement or summary of the securities, market or developments referred to in this document. SFSPL or its affiliates or employees are under no obligation to update the information. SFSPL or its affiliates or employees shall not be in any way responsible and liable for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report.

SFSPL or its affiliates and/or its employees/its associates or his relative does not have financial interest in the subject companies. SFSPL or its affiliates and/ or its employees/its associates or his relative may or may not have beneficial ownership of one per cent or more securities of the subject company, at the end of the month immediately preceding the date of publication of the research report. SFSPL/its Associates/ Research Analyst have not received any compensation from the subject company in the past twelve months. Further the subject company is/was not a client during twelve months preceding the date of distribution of the research report and the types of services provided. SFSPL or its research analyst has not served as an officer, director or employee of the subject company. SFSPL or its affiliates and/or its research analysts have not been engaged in market making activity for the subject company. SFSPL or its associates or its Research Analyst have not received any compensation or other benefits from the subject companies or third party in connection with the research report. SFSPL/its Associates/ Research Analyst/ his Relatives not have any other material conflict of interest at the time of publication of the research report.

SFSPL/its Associates/ Research Analyst have not managed or co-managed public offering of securities, have not received compensation for investment banking or merchant banking or brokerage services, have not received any compensation for product or services other than investment banking or merchant banking or brokerage services from the subject companies in the last twelve months. There is no material disciplinary action that been taken by any regulatory authority impacting equity research analysis activities.

Research Disclaimer: Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

https://www.sushilfinance.com/Disclamier/research
https://bit.ly/3VbgbvL