

Rating: Subscribe for Listing Gains

Issue Offer

Fresh Issue of 4,58,25,243 shares up to INR 4.7Bn and OFS of 13,86,40,777 shares up to INR 14.3Bn bringing the Total Issue size of 18,44,66,018 shares up to INR 19Bn

Issue Summary

Price Band (INR)	98-103
Face Value (INR)	1
Implied Market Cap (INR Bn)	147.9
Market Lot	145
Issue Opens on	September 10, 2025
Issue Close on	September 12, 2025
No. of share pre-issue	1,39,00,53,450
No. of share post issue	1,43,58,78,693
Listing	NSE / BSE

Issue Break-up (%)

QIB Portion	≥75
NIB Portion	≤15
Retail Portion	≤10

Book Running Lead Managers

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

Registrar

MUFG Intime India Private Limited

Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	21.09%	10.78%
Public & Others	78.9%	89.22%

Objects of the issue

Exp. Amt (INR Mn.)

Expenditure for new technology development and cloud infrastructure	1,900
Expenditure for lease payments for their offices	750
Expenditure towards marketing activities	900

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Urban Company Ltd is a tech-driven marketplace that makes it easy for people to book trusted home and beauty services, from cleaning, pest control and appliance repairs to skincare, hair grooming and massage therapy. Operating in 51 cities across India, the UAE and Singapore, the company works with trained independent professionals who deliver services at customers' convenience. In recent years, it has also expanded into home solutions under its brand 'Native', launching water purifiers in FY 23 and electronic door locks in FY 24, while also rolling out its new on-demand home-help service 'InstaHelp' in select Indian cities.

Investment Rationale

Hyperlocal Model Ensuring Faster and Efficient Service Delivery: The platform works on a hyperlocal model to make services quicker and more efficient. Each city is divided into small micro-markets, usually within a 3–5 km radius, and served by a dedicated group of professionals. The size of these micro-markets depends on consumer demand and the type of service. For high-demand, frequent services like cleaning or grooming, the company creates smaller zones to ensure faster fulfilment, while for less frequent but high-value services such as painting, it manages larger zones to cover a wider area.

Strong Technology Platform Powering Growth and Professional Success:

The company runs on a technology-driven model that connects all parts of its business through a single digital platform. Learnings from different service categories and regions are shared across the system, creating a unified tech stack that works seamlessly regardless of location or service type. This setup makes it easier to launch hyperlocal services at scale, maintain consistent quality standards, and quickly move new initiatives from pilot projects to full operations.

Boosting Efficiency, Retention and Consumer Engagement:

Company focuses on retention by improving service quality, regularly upskilling professionals, investing in training and technology, and designing micro-markets that cut travel time and boost efficiency. On the consumer side, spending is encouraged through better targeting, cross-selling, personalized app experiences, and breaking down services into smaller, affordable options that make it easier for people to try them. Growth is also supported by continuously expanding its range of services, including through acquisitions and partnerships.

Valuation & Outlook: Urban Company looks set to grow steadily as more people turn to trusted, convenient home services. Its hyperlocal approach, strong tech platform, and focus on training professionals give it an edge, while new categories and affordable options are likely to keep customers coming back and spending more. With rising demand for organized services in urban India and abroad, the company has a long runway for expansion. At the upper band of INR 103, the issue is valued at Price/Sales of 12.92x. We are recommending a "Subscribe for Listing Gains" rating for this issue.

Particulars (INR Mn)	FY23	FY24	FY25
Revenue from Operations	6,366.6	8,280.0	11,445.0
<i>Growth (% YoY)</i>		30.1%	38.2%
EBITDA	-2,977.0	-1,190	+121
<i>Margins</i>	-46.8%	-14.4%	1.1%
PAT	-3,124.0	-927.0	+286.0
<i>Margins</i>	-49.1%	-11.2%	2.5%

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Stock Rating Scale**Absolute Return**

BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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