

November 06, 2025

National Stock Exchange of India Limited
The Listing Department,
Exchange Plaza,
Bandra Kurla Complex
Mumbai - 400 051

BSE Limited
Department of Corporate Services,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 001

Symbol: URBANCO

Scrip Code: 544515

Sub.: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Transcript of the Earnings call conducted on November 01, 2025

Dear Sir/ Ma'am,

In compliance with Regulation 30 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, please find enclosed the transcript of the earnings call, conducted on November 01, 2025, in relation to unaudited standalone and consolidated financial results of the Company for the quarter and half year ended September 30, 2025.

The above information will also be hosted on the Company's website viz. <https://investorrelations.urbancompany.com/>

This is for your information and records.

Thanking you,

For Urban Company Limited
(Formerly UrbanClap Technologies India Limited and
UrbanClap Technologies India Private Limited)

Sonali Singh
Company Secretary and Compliance Officer
Membership No.: A26585

Encl.: As above

Urban Company Limited
(Formerly known as UrbanClap Technologies India Limited & UrbanClap Technologies India Private Limited)

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CORPORATE OFFICE:

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“Urban Company Limited Q2 & H1’26 Earnings Conference Call”

November 01, 2025



**MANAGEMENT: MR. ABHIRAJ SINGH BHAL – CO-FOUNDER & CHIEF
EXECUTIVE OFFICER, URBAN COMPANY LIMITED
MR. ABHAY KRISHNA MATHUR – CHIEF FINANCIAL
OFFICER, URBAN COMPANY LIMITED**

MODERATOR: MS. GARIMA MISHRA – KOTAK SECURITIES

Moderator: Good afternoon, ladies and gentlemen. Welcome to the Urban Company Limited Q2 & H1 FY26 Earnings Conference Call.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the Management's remarks. Please note that this call is being recorded. Should you need assistance during the conference call, please signal an operator by pressing "*" then "0" on your touchtone phone.

I now hand the conference over to Ms. Garima Mishra from Kotak Securities. Thank you and over to you, ma'am.

Garima Mishra: Thank you, Rituja. Good evening, everyone. It is indeed a great pleasure to host Urban Company's First Earnings Call after its stellar listing.

Joining us today to discuss Earnings for the 2nd Quarter and Half Year-Ended 30th September 2025 are Mr. Abhiraj Singh Bhal – Co-Founder and CEO, and Mr. Abhay Mathur – CFO.

The Results and Investor Presentation have been uploaded to the stock exchanges and are available on the company's investor relations website.

Before we begin, I would like to remind you that certain statements made on this call may be forward-looking in nature and should be viewed in conjunction with the risk factors disclosed in the company's filings.

With that, I now hand the call over to "Abhiraj to Share the Key Highlights of the Quarter."

Abhiraj S Bhal: Thank you very much, Garima. Good evening, everyone, and thank you for joining us today.

Before we get into the numbers, I want to begin by expressing my gratitude to all shareholders for the trust that they have placed in Urban Company through our recently concluded IPO. We are humbled by the response from both institutional and retail investors. We see this not as a recognition of where we are today, but as a belief in the potential of what lies ahead. Thank you once again for your faith and support. We will strive every day to remain worthy of it.

Let me start by saying that Urban Company is still at the very beginning of its journey:

The opportunity before us is vast. The Indian home services market remains unorganized and fragmented, with less than 1% online penetration. Over the next decade, our ambition is to build a trusted home platform that becomes the backbone of urban living. Our goal is to deliver reliable, high-quality services, be it in daily housekeeping, beauty, plumbing, AC service, or more.

Beyond services, we want to offer end-to-end solutions that simplify life for millions of homeowners. New initiatives such as Native, where we offer water purifiers and smart electronic door locks, and Revamp, our wall decor solutions, are in line with this broader vision. The full picture may not be visible today, but we believe with these steps, over time, Urban Company will evolve into a true home platform.

Let us now get into the “Numbers in the Quarter Gone By.” Net transaction value for this quarter grew 31% year-on-year to reach Rs.1,030 crores. On a like-to-like basis, this is a 34% year-on-year growth if I exclude the impact of Saudi Arabia deconsolidation, which we did on the 1st of January 2025, moving it to a 50:50 JV.

Revenue from operations grew 37% year-on-year to reach INR380 crores. On the same like-to-like basis, this is a 44% year-on-year growth, excluding the impact of KSA deconsolidation. Core India services business remain profitable with adjusted EBITDA of INR18 crores or 2.4% of NTV.

International operations in UAE and Singapore achieved adjusted EBITDA breakeven in this quarter.

Our new business segment, InstaHelp, is scaling rapidly, and in a matter of a few months from launch, it has reached 4.7 lakh orders in October, but it did incur an adjusted EBITDA loss of INR44 crores.

The overall business reported an adjusted EBITDA loss of INR35 crores for the quarter, primarily due to the loss of INR44 crores in InstaHelp. Excluding InstaHelp, the business delivered an adjusted EBITDA profit of INR10 crores, marking a year-on-year improvement of INR15 crores.

If I look back at this quarter, the business has delivered strong broad-based growth across all segments. Excluding InstaHelp, Urban Company remain profitable at an adjusted EBITDA level. However, on a consolidated basis, the business moved from profitability to a loss due to upfront investments in scaling InstaHelp.

We recognize that these investments impact short-term profitability, but the opportunity in InstaHelp is both significant and immediate.

The category has seen strong customer adoption, high repeat usage, and holds strategic long-term importance for Urban Company.

We remain focused on delivering exceptional customer experiences and cementing market leadership in this category. We believe, this is firmly in the best long-term interest of our shareholders.

Let me now take a few minutes to unpack the performance of each segment:

Our India Consumer Services business, excluding InstaHelp, continue to show steady momentum with 19% NTV growth year-on-year and 24% revenue growth. This growth was driven by new user acquisition, consistent retention, and healthy traction in our core service categories like cleaning, beauty, and repairs.

We also launched our new wall decor solution called Revamp, which is seen encouraging early traction.

Our customer experience remains best-in-class with an average rating of 4.8 out of 5 across categories, a metric we are proud of.

Adjusted EBITDA stood at Rs.18 crores for this segment, with margins declining modestly from 3.1% to 2.4% year-on-year. This decline is a result of deliberate investments we have made in training, audit, customer support, new user acquisition led by brand marketing, investments towards faster fulfillment, and investments in technology and AI.

As a recap, between FY23 and FY25, our core India Services business saw margin improvement by 13 percentage points as a percentage of NTV, moving from negative 9.7% to positive 3.3% in FY25. This was a result of steady revenue growth and disciplined cost control.

As a management team, we felt that FY26 should mark a period of reinvestment. Investments we believe are essential to build a long-term compounding core.

It is our considered view that the India Consumer Services business, excluding InstaHelp, will eventually reach a steady-state adjusted EBITDA margin of 9% to 10% of net transaction value.

Coming to Native:

Our connected home solutions vertical, we saw rapid growth with NTV up 164% year-on-year to reach Rs.97 crores and revenue up 179% year-on-year to reach Rs.75 crores.

Our water purifiers and electronic door locks have received strong market response. Customers appreciate their robust design, low maintenance, and seamless integration with the Urban Company app for monitoring and servicing. While we did see some demand pull forward due to an early festive season in this quarter, Native's fundamentals remain strong and margin has also improved meaningfully from negative 30% of NTV same period last year to negative 9% of NTV. The business is on a clear path to profitability.

Native's strong performance has been underpinned by good product design, strong consumer proposition, and also the dependable Urban Company service network. As the business scales, we

expect growth to remain healthy but moderate relative to prior periods, reflecting both a higher base and our emphasis on profitable growth.

In our international operations spanning UAE and Singapore, we saw robust performance with NTV up 73% year-on-year and revenue up 66% year-on-year (excluding KSA). The combined business achieved adjusted EBITDA breakeven this quarter, an important milestone. Growth was driven by improved customer retention, new user acquisition, higher repeat usage, and also better operating leverage. We continue to monitor this performance closely, but it is a strong signal that our international playbook is scaling well.

And finally, InstaHelp, our newest vertical and one that we are especially excited by. Launched earlier this year, InstaHelp offers daily housekeeping services, a high-frequency, high-engagement use case that we believe strengthens our platforms core. Just within eight months of launch, it has scaled to roughly 4.7 lakh monthly orders. This growth has come despite limited city and geographic coverage, underscoring the category's massive potential.

While it is not a like-to-like comparison, our India consumer services business reached similar scale in approximately four and a half years since the start of its operations. The early signs are very encouraging. Retention and repeat rates are trending strongly. However, we do understand that steady state behavior will take some time to mature. We are consciously investing in building a high-quality supply base, training, onboarding, early earning support, and network densification.

All of these investments have resulted in an adjusted EBITDA loss of INR44 crores for this quarter for InstaHelp.

We see InstaHelp as a long-term investment, one, that deepens customer engagement with our app, improves the frequency of usage, and also expands our overall TAM. Just as beauty and cleaning verticals evolved into strong profit pools over time, we expect InstaHelp to follow a similar trajectory with scale and efficiency.

Stepping back, since this is the first earnings call, I want to highlight three simple principles which will guide our execution going forward:

1. We will always keep the customer at the center of every decision.
2. We will continue to invest in service partner enablement as we believe that happy service partners lead to happy customers.
3. We will uphold the highest standards of governance and transparency.

Before we open to Q&A, I want to highlight one last but important point, which is our long-term North Star metric, the one that we will truly optimize for in the long run, which is free cash flow per share.

Thank you once again for your continued support and confidence in our journey. I will now hand over back to the moderator to start the Q&A.

Moderator:

Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Manish Adukia from Goldman Sachs. Please go ahead.

Manish Adukia:

Hi, good evening. Thank you for taking my questions, Abhiraj and team. Many congratulations on your listing. Happy Diwali to you. And I really appreciate the detailed shareholder letter with all the additional details. I have quite a few questions. So, please feel free to cut me off whenever you want me to go back in the queue. So, I will just start with the India consumer services business where NTV growth right now is tracking at about 20% excluding the InstaHelp business. As you think about the next three to five years, one, do you see this growth sustainable, or do you think there are more upside or downside risks versus this number? And second, between the user growth and spend per user, which one do you see as a bigger driver of growth? That is my question and I have a few follow-ups.

Abhiraj S Bhal:

Thank you, Manish, for your question. Happy Diwali to you as well. Manish, we fundamentally believe that the India consumer services business has a long growth trajectory ahead of it. Online penetration continues to remain very, very low, as I mentioned earlier, sub-1%. And that is one of the reasons why we have stepped up investments this year to set up the business well for long-term growth. We believe it has many years of high-quality growth ahead of it, and it has been growing well for the last few years. Our primary goal will be to focus on user-led growth and volume-led growth.

Manish Adukia:

Thank you for clarifying. And you mentioned that FY26 will be a year of investments. So, does that mean that margins again start expanding next year? How much do you think margins could deteriorate this year before they start expanding again? And maybe a related question, when you say steady-state margins of 9-10% of NTV, again, in your definition, how far in the future is that steady-state?

Abhiraj S Bhal:

Manish, we do believe that this year is an important year of reinvestment. These reinvestments are happening across the board in India core, whether it is in training, audits, ramping up new user acquisition, our teams, technology, faster fulfillment, which is an important focus area for us, etc., While quarter-on-quarter, there will be some movement in the margins, we encourage the investor community and the analyst community to look at margins on an annual basis. We believe on an annual basis margins for FY26 will be similar to FY25. Post that, we would like to continue profitable growth. We do not want to give a timeline yet for reaching the steady state but be rest assured that

we have our eyes very firmly on margin improvement and profitable growth and eventually reaching there in the medium-term.

Manish Adukia:

My second set of questions is on InstaHelp. Can you maybe help us understand how is InstaHelp different versus some of the other products that you had launched in the past, like, I do not know, Cooks, etc., for example, which did not work, I know you talked about early product traction being very strong, but when I look at the numbers disclosed by you today, the discounts are as high as the overall net transaction value. So, are you able to share with us some data that have you seen any evidence of customers in the last eight months where you have pulled discounts and the demand traction is still strong? So, if you can just maybe help us understand your expectation of the long-term traction of InstaHelp and how does that compare with some of the other products that did not work and the similarities or dissimilarities versus those products?

Abhiraj S Bhal:

Manish, it is still an early business. It has been only about eight months since we have launched it. So, we are also learning a lot here. I would say the early traction is very encouraging. We have looked at micro markets where discounting is not as deep and the customer retention and repeat rates are fairly healthy in those micro markets as well. Across the board, InstaHelp's retention and repeat and frequency is very, very encouraging. However, this is early data and it will take time to mature. So, we are tracking it closely. The only thing I will say is that it is perhaps the most exciting new business initiative that we have launched in a while and is an order of magnitude more exciting and more encouraging for us than anything we have done in the past, which is why you can clearly see that we are doubling down on it and are committed to it. We will continue to watch and we will continue to learn. And at any point in time, if we feel that there are new data points that are coming up that either require us to double down on the investments or moderate them, then we will be prudent in taking those calls accordingly.

Manish Adukia:

Very clear. Just maybe one or two last follow-up questions on InstaHelp. You mentioned that free cash flow is a very important metric that you will optimize for in the long term. InstaHelp today, of course, has a lower AOV compared to a core services business and a lower take rate and in the early stages is requiring investment. Now, as we think about a long time period, let us say five years or seven years from now, do you think while InstaHelp, of course, helps engagement of the overall app and helps drive order volumes, do you also foresee InstaHelp is becoming meaningful or substantial to your overall India free cash? And when I say substantial, I mean, let us say anywhere between like 15-20% or higher of your India free cash flow. Do you think it will more be like a synergistic product which drives traffic on the core business and drives volumes, but from a free cash flow perspective may not be a very substantial product? So, your thoughts there, please.

Abhiraj S Bhal:

It is a good question, Manish. I think it is still early to comment on the steady state unit economics of this category. I think the P&L is rapidly evolving and it depends on a bunch of key metrics such as average order value, partner utilization, training spends per partner, and all of these are evolving

as we speak on a monthly basis, not just a quarterly basis. I think it is very much our goal to make sure that every dollar of spend here is well utilized and the ROI is high. Our primary goal here today is to maximize growth and cement market leadership. That is something that we are not going to compromise. So, I would say in this phase of building, which is the next few quarters, that remains our goal. Needless to say, in the long term, any business vertical that we do, has to eventually reach sustainability, has to reach a sustainable level and contribute to the overall core free cash flow per share and InstaHelp will be no exception to that rule.

Manish Adukia:

Thank you for that. Just my last question before I jump back in the queue. I think over the last decade, you have faced significant competition, especially in the early part of your journey. But in the recent years, it has been fairly benign with most of your competitors almost going out of way. Now, it looks like InstaHelp may be slightly different where competitors have raised some capital. They have been a little aggressive. Can you maybe remind us as to why competition was not able to do well in the past compared to your core services business? And again, if there are any similarities or dissimilarities versus InstaHelp? And again, maybe a related question, does it at all make any sense to do anything inorganic in InstaHelp or do you think organic is the right way to build this?

Abhiraj S Bhal:

Manish, it is a good question and it goes back a little bit into our philosophy of building. We have always focused on what is right for the customer and the service professional. 99% of our energy and bandwidth goes into solving for those two constituents. We do watch competition from time-to-time and we do learn from competition. And we have seen various cycles, not just in the early periods, across the last decade, we have seen various cycles of competition entering and competition intensity increasing. So, it is nothing new for us. We look at it and we learn from them. But we keep our eyes focused on the customer and the service professional. Particular to InstaHelp as a category, our sense based on a few media reports, etc., is that we are off to a good start and we have clear market leadership, but the category is early and evolving. We would like to continue to deliver great customer experiences and firmly cement this market leadership just as we have in our core services business.

Manish Adukia:

Great. Thank you so much for answering all my questions. I really appreciate it. I will jump back in the queue.

Abhiraj S Bhal:

Thank you, Manish.

Moderator:

The next question is from the line of Gaurav Rateria from Morgan Stanley. Please go ahead.

Gaurav Rateria:

Hi, thanks for taking my question and very good set of disclosures and detailed shareholders letters, thanks for that. So, my first question is on your interesting disclosure.

Moderator:

I am so sorry to interrupt you, Gaurav. Can you please speak a bit louder?

- Gaurav Rateria:** So, my first question is on the interesting disclosure that you made on the number of hours which has been steadily going up per service professional per month. I think it is a good proxy of utilization. But what should be the right ways to understand where are we in this journey? And also, when you look at from a density point of view, the number of people that you have per service micro market, what is the right density to reach to over long-term where you think this utilization metric can move up substantially?
- Abhiraj S Bhal:** Yes, that is a good question, Gaurav. And as you rightly said, the monetized active hours on the platform per service professional per month has been steadily growing from 59 hours per month in FY22 to 83 hours in FY25. In our RHP, we had also shown that if we cut this by various cohorts of service professionals, then the top 10% are reaching almost 135-to-140 hours and the top 5% are reaching 150 hours. And that is largely a function of densification. Those service partners and those cohorts represent our most dense micro markets. In H1 FY26, this number has further increased to 89. So, there is consistent improvement in utilization as a function of densification. As we densify micro markets, our service professionals spend less time waiting for jobs or traveling between jobs and more time inside consumers' homes. We think this trend should continue for the foreseeable future. We are still early in the utilization journey. As I mentioned, in the top 5% of micro markets, this number is almost 1.8x, 1.9x of the platform average. So, there is plenty of headroom for growth here.
- Gaurav Rateria:** Got it. My second question is on Native. You alluded to exciting product roadmap ahead of us in the shareholders letter. So, if you could help us to get a peek into what could be these categories, or is it more to increase the breadth of products in the same categories?
- Abhiraj S Bhal:** Yes, it is the latter. I think we have been working on a set of innovative product launches in water purifiers and smart electronic door locks. At the right time, these products will get launched, and we will let you know. But it is within the same categories.
- Gaurav Rateria:** Okay. And last question is on InstaHelp segment. What would be an ideal AOV point which helps us to arrive at a breakeven situation? And would that be driven by utilization, more number of hours, would that be driven by adding more services on that or more breadth of services on that, just trying to understand the kind of a theoretical breakeven point for that?
- Abhiraj S Bhal:** At the cost of sounding slightly repetitive, I would have to say that it is still early, Gaurav. We are also learning. And definitely the AOVs have to go up higher. That is clear. The discounting has to reduce. Network densification will be also very important. And our focus will be that InstaHelp, in and of itself, needs to see improving margins, improving unit economics, and eventually, in and of itself have a path to adjusted EBITDA breakeven. But it is still very early for us to have a clear view on what stable state unit economics look like and stable state AOVs look like. It is also competitive.

So, there is evolving picture here. But be rest assured, as and when we learn more and we know more, we will definitely disclose that to help investors make smarter decisions around this.

Gaurav Rateria: Thank you. All the best. I will fall back in queue.

Moderator: The next question is from the line of Sachin Dixit from JM Financial. Please go ahead.

Sachin Dixit: Hi, team, congratulations on the great listing. I had a few questions. To start with, my first question was on the international side, right? There was a pleasingly surprising growth, particularly over there you have highlighted in the shareholder letter that some part of it came, thanks to the tie up with Noon. What do you think of this growth going forward, how sustainable it is? Noon is obviously more of a UAE and KSA-based entity. What is happening in Singapore, if you can put something a color to this?

Abhiraj S Bhal: Sachin, if I understood your question correctly, you said the growth in UAE and Singapore looks very robust and we have had a tie-up with Noon. How sustainable is the growth? Noon is obviously limited to UAE. There was some disturbance in the line. So, I am hoping the question is correct.

Sachin Dixit: That was the question.

Abhiraj S Bhal: So, look, I think the Noon partnership is early and the contribution towards growth is limited right now. There is some contribution from the Noon partnership towards growth, but much of this growth is actually organic in UAE, driven by new user acquisition, solid repeat rates and we already operate a high-frequency cleaning service there, which is similar to InstaHelp in India. The same is true for Singapore as well. In terms of sustainability of growth, it is hard to predict the future. We would not like to give any future guidance. As base grows, typically, growth rates can become a little more moderated. Our focus is also on profitable growth. So, I think we will wait and watch. I think the business has just broken even on an adjusted EBITDA level. We will wait and watch and see how things evolve. But those two markets are still very much early in their journey. They have a lot of potential. Penetration rates are very, very low, similar to India. And we do believe that in the long-term, there is a long growth runway in both UAE as well as Singapore. And also from a profitability standpoint, it has similar contribution margins to the India business, not exactly the same, but similar. And therefore, we believe that these two businesses could also get to similar levels of adjusted EBITDA in the long term.

Sachin Dixit: Right. So, that is good. Is there a seasonality in international businesses for you or it is largely still a penetration story that you are seeing it?

Abhiraj S Bhal: No major seasonality to call out.

Sachin Dixit: Understood. Sure. Moving on to Native, you have been alluding to having a product roadmap. I just wanted to understand and pick your brain here. So, when you think of a new product, are you thinking from a servicing angle, right products where servicing is a key component or you are thinking more from a user engagement angle? The reason why I ask this question is between your door locks and water purifier, I think both seem to be operating in either of these ranges, both are not overlapping. So, that is why we are having some color?

Abhiraj S Bhal: So, look, let me talk about both these products briefly. Water Purifiers, we firmly felt that there was a big gap in the market. Users were looking for durable, high quality, low serviceability products, which was not serviced by some of the existing brands. And that was the primary reason to get into that category. We felt strongly that we could innovate and launch a product that is new age, that does not require much servicing or maintenance. And that is also connected back to the Urban Company app. So, transparently discloses for you - filter life, water usage, etc., juxtaposed with the opacity that the water purifier industry had operated with earlier. Smart Electronic Door Locks is a smaller growing segment, again, connected back to the Urban Company app, so allows the user to stay engaged. I think both these products, we saw one, clear market opportunity, two, clear ability to launch a differentiated offering for the end consumer, and three, a clear ability to have a connectedness back with the Urban Company app and own the consumer journey throughout the usage lifecycle. Those three principles are what we applied to get into these two products. We believe there is adequate headroom for growth in these two products, so we want to stay focused on these two for now.

Sachin Dixit: My third and last question is on the InstaHelp side. So, there have been recent media reports that one of your peers has raised another round of funding and is also venturing into new categories. I know you said that you were still on the early stage and evaluate. Just wanted to understand if there is any sort of plan to venture outside of the pure play InstaHelp sort of a category to something similar to what the competition is doing? Asking again, because you have been highlighting that you will want to continue to be the market leader. So, will you be there where the competition as well?

Abhiraj S Bhal: So, our very clear priority whenever we look at any new service segment or doubling down on an existing service segment is to focus on the customer and the service professional. It is a very clear belief that we have that solving for those two constituents leads to long-term growth. To that extent, we always look at competition, we look at what they are doing, we learn from them. But our core strategy is not impacted by competitive action. It is impacted by our own first principles view on what is right for the customer and what is right for the service professional. At this point in time, we believe the opportunity in daily housekeeping is very large, very deep, and we are only getting started. Our focus is to densify our current micro markets, launch a newer micro markets, and firmly cement our market leadership. We will look at other adjacent categories at the right time as well. Nothing to announce today, but we keep doing experiments and we look at other interesting adjacent opportunities. But independently, and if they fit into our view of what is right for the consumer, the

service partner, and are they long-term aligned to our strategy in InstaHelp, we will launch them at the right time.

Sachin Dixit: Thank you, Abhiraj, and all the best for going ahead.

Abhiraj S Bhal: Thank you, Sachin.

Moderator: The next question is from the line of Vishal Biraia from Bandhan AMC.

Vishal Biraia: Hi, good evening, guys. Could you explain a bit more on the increasing salaries and things pertaining to the India services business ex of InstaHelp? Because on a quarter-on-quarter basis, even year-on-year basis, there seems to be a significant increase which has led to the drop in EBITDA. Could you explain some of these heads?

Abhiraj S Bhal: Yes. I will start and maybe Abhay can add a bit more color to it. Fundamentally, Vishal, if you look at our India core services, salaries and wage bills for the last three financial years from FY23 to FY25, it has remained more or less flat on an absolute level while the business grew meaningfully in that period. We did feel that it was time to invest in certain areas such as training, audits, our internal team capabilities as well as technology and AI and consequently, we made these investments starting in FY26. Broadly, those are the investments that you see in that header. We think these investments are important to set up the India core for long-term compounding and long-term growth. We believe that online penetration rates in India continue to remain very, very low, and therefore, it is important to set up the business well. Consequently, we made these investments. Anything you want to add to that, Abhay?

Abhay K Mathur: As Abhiraj mentioned, we are guiding towards 9%-10% of NTV as adjusted EBITDA for this business coming from operating leverage. So, we will look at all of our cost lines with that lens going forward as well.

Vishal Biraia: Okay. So, basically, the increase in cost that we have seen for the quarter and for the last quarter as well, this is a structural indicator, will this sustain for the next –

Abhiraj S Bhal: Sorry, Vishal, I think we lost you for a bit. But if I understood your question –

Vishal Biraia: It is nothing like a one-off sort here? Sorry.

Abhiraj S Bhal: Okay. So, if I understood your question correctly, Vishal, you are saying the increase in investments that we have made, this is a structural investment and not a one-off. Is that correct?

Vishal Biraia: Yes.

Abhiraj S Bhal:

So, yes, you are right. If you look at the India Consumer Services P&L, ex of InstaHelp, there has been clear increase in some of the cost areas such as salaries and employee benefits, also customer marketing, also G&A, which includes our training centers compared to the same period last year, breaking the trend of flat costs over the last three financial years. This is a structural investment that we have made to set up India Consumer Services for long-term growth. Now, we believe that we should not look at these line items on a quarter-on-quarter basis, but it is definitely important to look at margins on an annual basis. We believe this financial year, we are in investment mode, but we will still end up at similar adjusted EBITDA margins as a percentage of NTV in FY26 vis-a-vis FY25. Post that, we are cognizant that margin expansion has to happen in this business if we have to eventually reach the 9% to 10% adjusted EBITDA guidance that we have given for the long-term. We are cognizant that these investments cannot be made perpetually and margins cannot remain flat perpetually. That is not lost on us. So, in FY26, we have made these investments to make sure that we are setting up this business for long-term success. Adjusted EBITDA margins as a percentage of NTV should remain more or less similar to FY25 levels on an annual basis. FY27 onwards, we should start seeing margin improvement.

Vishal Biraia:

Sure. Thank you. And one last question on the amount of investments that we should see happening in InstaHelp and Native in the medium-term, in the next, say, two, three, four years?

Abhiraj S Bhal:

Yes, that is a good question, Vishal. I will start with Native first. We have a slightly more clearer picture of the P&L and how it is evolving. I think Native is progressing well. I think margins are improving. And while we do not want to commit to a firm timeline of adjusted EBITDA breakeven for Native, we believe that we are moving well in that direction and peak losses are behind us. On InstaHelp, it is a little bit of the opposite. Very early, only eight months in, P&L is evolving, unit economics are evolving, focus today is growth and market leadership. We will be very, very firmly keeping one eye on costs, making sure that every dollar we invest has high ROI. And as and when the unit economics picture becomes more clear to us what is the pathway for sustainable breakeven, we will come back to the investor community with the clearer guidance on timeline as well as capital deployment.

Vishal Biraia:

Thank you.

Moderator:

The next question is from the line of Sucrit Patil from Eyesight Fintrade Private Limited. Please go ahead.

Sucrit Patil:

Good evening to the team. I have a forward-looking question. As more platforms enter the home service space, what is Urban Company doing to build a strong edge, not just by adding more services, but by creating something deeper that makes the platform hard to replace?

Abhiraj S Bhal:

Yes, that is a good question, Sucrit. Sucrit, we are still very early in the journey of online penetration and organization of the home services industry. As I mentioned earlier, less than 1% online penetration exists today. Our view is that in the long-term, what will help us differentiate and continue to be relevant for the consumer and continue to grow the overall pie of online penetration, where other platforms will also come in and aid that journey, is one very, very firm focus on customer experience both in terms of service delivery, where we have to invest in extensive training of our service professionals, very, very careful selection, very careful onboarding, b) very firm focus on tooling, equipments, products used, and the SOPs in every single service. Our SOP manuals are very detailed; they run into hundreds of pages for many categories; c), faster fulfillment rates with network densification for every category in every micro market, our availability and fulfillment improves; and d), strong grievance redressal, customer support, and warranty programs. These four pillars together help us differentiate in terms of customer experience. Equally importantly, it is important that service professionals see us as the highest earnings platform, which is a direct function of the density in our micro markets and the utilization rates. And as you have seen from our disclosures, those utilization rates have been consistently improving. So, it is very important that we remain very competitive from an earnings standpoint for our service professionals vis-a-vis any other platform out there. And that is why we constantly transparently also disclose the high earnings on our platform, and also continue to offer non-monetary benefits for retention, such as free life, accidental and health insurance, scholarship for kids, and other enablement programs, such as Project Udaan, which is a mobility program for our women service partners. Three, we are a full stack platform across 60-plus services and more than 500 micro markets in our 47 cities in India. So, consumers have the opportunity to avail not one or two, but multiple services and see us as an umbrella home services platform. And that trust that we have built and the brand that we have built over the years, we do believe is a strong moat as well. So, these are the pillars on which we will continue to invest and continue to compound. Yes, there will be other players who will also enter. And I believe that the overall size of the pie is very large and together it will continue to grow.

Sucrit Patil:

Okay, great. My final question is on margins and cost planning. As you scale and improve customer experience, how are you making sure that the company stays efficient and which cost levers do you think will help protect margins over the next few quarters?

Abhay K Mathur:

Sucrit, this is Abhay. So, if you see our P&L, the main reason why we improve margin is operating leverage in our fixed costs while improving and maintaining customer experience. So, as we drive revenue growth, we will look to make sure that our fixed costs grow at a lower pace than revenue while investing in the right areas on customer experience. We have done that in the past, as Abhiraj mentioned, our margins have improved over the last three years, and we will endeavor to continue doing that in the future as well.

Sucrit Patil:

Okay, thank you for the guidance and I wish the entire team best of luck for Q3.

Moderator: The next question is from the line of Aditya Joshi from DSP Mutual Fund Managers. Please go ahead.

Aditya Joshi: Good evening, gentlemen. Thanks a lot for the questions and thanks for the disclosure. My first question is with respect to the InstaHelp. Sir, you have seen a kind of growth rates in last eight months, around half a million kind of orders in total. So, can you please share some kind of consumer trends, what kind of consumer behavior are you seeing here, and any subscription model or similar thoughts planned here, and customer stickiness in this particular service?

Abhiraj S Bhal: Yes, Aditya, we have seen very encouraging consumer behavior in a short period of time. Customer stickiness and retention is strong. Customer repeat rates are also strong. A predominant use case is amongst middle class households, particularly women consumers. Whenever their regular houses is on leave, both planned and unplanned leave, they look at InstaHelp as a replacement use case. And it helps that the service is instantaneous, particularly for unplanned occasions. Interestingly, we are also seeing a smaller cohort of customers using this as a more default use case for their daily housekeeping services. These consumer trends and consumer behavior patterns are evolving and very early, we are also learning and tweaking our propositions to make sure that we are serving our customers well.

Aditya Joshi: Got it. Thanks a lot for that. Next question is with respect to the international business. What is the strategy there and how do you spot a new market? Any plans to get into new markets or you will penetrate more in the existing ones only? And anything on the competition in this market?

Abhiraj S Bhal: Yes. So, in terms of the international business, we have a presence in UAE and Singapore through wholly-owned subsidiaries. We have been present in the UAE for the last seven years and in Singapore for the last six years. Both markets are large, yet underpenetrated, characterized by high demand density, improving online penetration and sufficient availability of service professionals. Over the last six, seven years in both these markets, we have refined our operating model, while staying focused on building a full stack business with exceptional customer experience similar to India. We think these businesses are now maturing well and they continue to grow at a healthy clip. Together, they have broken even, which is very, very encouraging. Of course, we will wait and watch and we will continue to invest in profitable growth in both these markets. In the Kingdom of Saudi Arabia, we have entered into a 50:50 JV with MASCO, one of their oldest and largest manpower management companies, which is a listed company and a very reputable company, starting 1st of January 2025 and de-consolidated that business from a revenue recognition standpoint. But we remain excited about the potential of that market as well, again, very similar trends to UAE. We are not planning to enter any new international markets. We aim to achieve profitable and sustainable growth in our current international markets. And of course, management's time and resources will be fully focused on growing the India business and the existing international markets for the foreseeable future.

- Aditya Joshi:** Got it. Thanks a lot for that again. Lastly, from my side, what kind of steady state EBITDA margins can we expect in Native business?
- Abhiraj S Bhal:** That would be still early to talk about. I think our first protocol is to get native to an adjusted EBITDA breakeven. I would like to call out that we believe in the long-term that our margins in Native should be better than the margins of traditional OEMs. There are specific reasons for that. One, a meaningful percentage of the sales comes from our own channels, which is our app as well as our service network; and two, we are leveraging our existing service ecosystem to serve customers. I am not recreating a new service ecosystem. And that service ecosystem gets better utilized through Native orders. So, both of these are structural advantages in the P&L. We also believe our products are very well designed, very robust, and consequently, over time, just as they have in the last couple of years, they should enjoy pricing power and all of these should translate into good long term margins for us. As and when we have better visibility on steady state margins, we will come back and report that to all of you. Right now, the focus is on growth and continuing to improve margins to eventually get Native to an adjusted EBITDA breakeven.
- Aditya Joshi:** Got it. Thanks a lot for answering all my queries. I wish you all the best for the remaining of the years.
- Moderator:** The next question is from the line of Garima Mishra from Kotak Securities Ltd. Please go ahead.
- Garima Mishra:** Thank you for that. First question. For the core India services business, what is the seasonality you typically witness, and which quarters are the highest and lowest in terms of both NTV and margins?
- Abhiraj S Bhal:** Great question, Garima. We definitely see a step up in NTV growth and revenue growth in the April-May-June quarter, driven by the summer, where a lot of our services, particularly air conditioner servicing and repair, as well as electricians and other services, take a step job. The rest of the quarters remain similar. On a quarterly level, there is not a lot of variation. There is some uptick in October month as well because of Diwali, but limited and OND is not substantially different from Jan quarter. So, from a growth perspective, the clear seasonality to call out is in the AMJ quarter. From a margin standpoint, again, I would like to iterate, we would request the investor community and the analyst community to look at our margins on an annual basis rather than a quarter-on-quarter basis, because there would be movements from a quarter-on-quarter basis, for example, to invest in the growth of the AMJ quarter, we might do marketing in the Jan-Feb-March quarter. Our annual appraisals happen in January, etc., So, there are multiple moving items in the cost structure, and therefore, my humble submission would be to look at margins on an annual basis and look at margin expansion on an annual basis in our core India services business excellence to help.

Garima Mishra: Very clear. Thank you. Next question, what customer overlap are you witnessing between the UC app or let us say your UC core services and InstaHelp consumers? And do you envisage the need for a separate app for InstaHelp?

Abhiraj S Bhal: We see reasonably good and strong customer overlap. And we think both the segments are catering to the middle class Indian consumer who is upwardly mobile living in urban cities and want high quality services at their doorstep and is pressed for time and looking for convenience and quality. So, to that extent, these are not dramatically different consumer segments that we are targeting. In fact, it is the same household and which is why we also believe that InstaHelp will make the platform more relevant for the middle class Indian urban household.

Garima Mishra: Got it. And last question, how different is the service agent onboarding process for your core India business versus InstaHelp? And given there are many companies which are launching similar businesses, how easy or difficult are you finding to ramp up supply of agents on the InstaHelp platform?

Abhiraj S Bhal: Garima, we have a uncompromising time-tested strong operational playbook on service partner onboarding. Most of our service professionals come through referral or word of mouth. Post that, they go through a very stringent selection process, multiple rounds of screening and interviews. We want to make sure that particularly for intent and customer centricity, but also for skill, we are onboarding the right people. Post that, service professionals go through a systematic training, which is applicable both for InstaHelp as well as our core services business. And after that, they go through a shadowing process for a few days. And then we also monitor and handhold them for the first few weeks on the platform to make sure that their ratings are at a certain threshold. On an ongoing basis as well, they are measured on ratings, on time fulfillment, and adoption and adherence to our SOPs. All of these guidelines and all of these approaches to building are consistent across InstaHelp and our core services business in India. This is an operationally intensive business where you have to build this out across hundreds of micro markets in tens of cities, and we have been fine tuning this playbook category-by-category over the last decade. That playbook is what we have implemented clearly in InstaHelp as well, which in our view has led us to rapidly scale to clear market leadership in this segment. It is still early days. We will continue to focus on cementing that market leadership, on making sure that best service professionals are onboarded and retained on the platform, and we continue to invest in their training and their well-being.

Garima Mishra: Very clear. And maybe I will squeeze in one last one here. For the InstaHelp platform, is there any sort of investment amount you have in mind over what this number could potentially be over the next three years? Thank you.

Abhiraj S Bhal: Sorry, I think I missed answering one of your earlier questions on do we foresee a separate app for InstaHelp, not at this stage. But if we do in the future, we will let you know. Again, on the total

investment quantum, I would say it is early for us to put a number out there. We are learning, it is a young business, only eight months old, the unit economics are evolving. And any number we put today would be premature. So, we do not want to put a guidance that we do not have firm confidence on. That being said, please be rest assured that we are very, very focused on making sure that every dollar of investment that is going in here gives us high ROI. We understand that these investments are meaningful and have moved us as a company from a profitable company to a loss-making company. And that is not lost on us at all. And we are hard at work to bring back that original level of profitability and to continue the journey profitably. But this opportunity is here and now. It is immediate, and it is very meaningful and very strategic to us. So, in our view, it is the right thing in the long-term interest of our shareholders. We have demonstrated in the last 10-years that we have been good custodians of capital in our journey as a private company. For the longest time, we have had nearly \$200 million on our balance sheet and we have not spent it. So, that ethos will continue. Even as we build InstaHelp, we will make sure that every dollar goes a long way in creating long-term shareholder value.

Garima Mishra: Noted. Thank you so much and wish you all the best.

Abhiraj S Bhal: Thank you very much.

Moderator: The next question is from the line of Aryan from Groww Mutual Fund. Please go ahead.

Aryan: Thank you for the opportunity. So, my first question is on InstaHelp. In which areas or micromarkets are we currently operating in?

Abhiraj S Bhal: We are operating in a few cities today, Aryan, the top cities essentially Delhi, Bangalore, Bombay, and select micro markets of Pune and Hyderabad and I think select micro markets of Kolkata as well. Again, in these cities, we do not have complete city coverage. We are going micro market-by-micromarket. We are learning from our core services platform where we believe that adoption will be high in the early days and focusing on a micro market-by-micro market rollout.

Aryan: Okay. So, as we expand into more micro markets, do we anticipate the losses to go up for this financial year at least?

Abhiraj S Bhal: We would not like to give guidance at this point in time on the loss trajectory of InstaHelp. I would reiterate that the long-term potential of this category is very meaningful. We are very cognizant that these losses are meaningful and we will make sure that every dollar invested goes a long way in terms of the ROI potential.

Aryan: Okay. And my second question is on the JV in KSA. When can we expect break-even there?

- Abhay K Mathur:** Hi, this is Abhay. So, we have been in that JV since the beginning of this year. I think it is early days yet for the JV to break even. We are seeing strong growth, and we see a market which is 2-3x the size of UAE. There is a strong demand for our services across cleaning and other categories. And we are building that market in partnership with our JV partners, SMASCO. So, with their manpower management and training skills and our technology, we believe that we have years of growth left in that country. So, yes, we will invest in that market for some time.
- Aryan:** Okay. That is it from my side. Thank you for answering the question.
- Moderator:** The next question is from the line of Awais from Sundaram. Please go ahead.
- Awai s:** So, my core question is on your India services business. It will be helpful if you talk a bit more on the service provider onboarding and all the costs associated with that because even if I see from Quarter 1 to Quarter 2, where large part of the InstaHelp addition has happened, we have seen a sizable chunk of providers coming in, so we just wanted to get some sense on that? And secondly, even from a point-to-point basis, we have seen around 3,800 kind of addition on service provider side. So, is this a function of new cluster addition or what would be some intricate details on this, that will be helpful?
- Abhiraj S Bhal:** So, if I understood your question correctly, Awais, you said that in the core India services business outside of InstaHelp, how are we seeing service partner onboarding and what goes into service partner onboarding and onboarding costs, is that correct?
- Awai s:** Right, right, right.
- Abhiraj S Bhal:** Yes. So, look, I think service partner onboarding continues to happen in core India services. We have a structured process. Typically, most service professionals come through referral or word of mouth. After that, they go through a systematic selection process. And then there is systematic training. In the RHP, we did disclose for FY25 the average cost of onboarding of a single service professional in the India core services business, which is in the line of around Rs.65,000 to 75,000 depending upon the category per partner onboarded and we continue to see similar numbers in the India core services business in FY26 as well, nothing has meaningfully changed there. So, I think the focus will remain on onboarding the right type of service professionals who are aligned with the platforms ethos, with the customer centricity and investing in their training because we see long-term ROI on this. Also, want to highlight that particularly in the India core services business, we are also seeing better utilization of service professionals. And that is a trend that we have called out in the shareholders letter. And consequently, the absolute count of active service professionals on a year-on-year basis may not move linearly with NTV and revenue, because some of the growth is also addressed through better service professional utilization.

- Awai s:** Just a follow up to it if I may. We have the net addition number for your service providers from '24 to '25. Would it be okay to help us with the gross additions for the same time period?
- Abhiraj S Bhal:** Not at this stage, but we have made a note of your request. We will internally deliberate and if we feel it is a useful metric for the broader investor community to understand our business better, at the right time, we will disclose it.
- Awai s:** Thank you for taking the questions and all the best.
- Abhiraj S Bhal:** Thank you, Awai s.
- Moderator:** The next question is from the line of Manish Poddar from Invesco Asset Management. Please go ahead.
- Manish Poddar:** I just had two small ones. So, the first thing is when you are looking at the business internally, do you look at QoQ or do you look at YoY generally for the services part?
- Abhiraj S Bhal:** YoY.
- Manish Poddar:** Okay. And the second piece was I have gone through the shareholder's letter. Pardon me if I missed something. So, I am just trying to understand have you mentioned anywhere, let us say services per customer as a metric, just to understand how is the adoption of multiple services increasing at the household level, let us say on a quarterly basis?
- Abhiraj S Bhal:** That metric, Manish, has not been disclosed at this stage. If I am getting your question correctly, you mean different service categories adopted by a single household in a time period?
- Manish Poddar:** Right.
- Abhiraj S Bhal:** Yes. We have not mentioned that metric at this stage. There was a cohort view that we had given in the RHP up until FY25 of category adoption. And at the right time, if we feel that a refresher of that cohort view is needed, we will provide that to the market.
- Manish Poddar:** So, effectively, when you are also looking at the metric internally, you are looking at absolute number of users getting added and let us say price per blended AOV when you take as blended number of services, not really the third metric let us say, service per user as a metric? I am just trying to think because if that is a relevant metric for you internally, it would help us to better appreciate the business we are analyzing the business, I am just trying to think from that sense.

- Abhiraj S Bhal:** Yes. We made a note of it and we will reflect internally deliberate on it. We certainly look at category adoption as a metric. It is an important input into the LTV of the user and we look at multiple other metrics, which we may not necessarily disclose. But I made a note of your point and your request, and we will internally deliberate and if needed, look at whether we want to add it or not in future disclosures.
- Manish Poddar:** Sure, sure. Sounds good. Thank you so much.
- Abhiraj S Bhal:** Thank you, Manish.
- Moderator:** The next question is from the line of Jaydev Chararia from Ascent Capital. Please go ahead.
- Jaydev Chararia:** Hi, Abhiraj, congrats on a good set of numbers. So, since you alluded to this when some other participant asked you about the spikes in terms of the core India consumer business that the company witnesses, which is either in the summer season or in the festive season, which just went by, just wanted a color on how did the India core consumer business perform in the last month, because you have given quite a good color in terms of how InstaHelp and Native have been giving traction, so I wanted to get a sense of how our core business is performing? And I have a follow up, which I will ask once you probably address this one.
- Abhiraj S Bhal:** Yes. Thank you for the question. Yes, you are right. There are two spikes that we see, one in the summer, which is meaningful, and a smaller festive spike around Diwali and related festivals in India. Let me start by first talking about the summer, because those are disclosed numbers. I think this year the summer was muted. We had unseasonal monsoons and rains. It was a relatively colder summer. And as a result, our categories around air con, electrician, etc., did not see the kind of uptake that we would have hoped for, which is why NTV growth in the India core services business in the first quarter of this financial year was in the 10-11% range year-on-year. That growth has bounced back. It was a one-time impact that growth has bounced back this quarter to 19%. Vis-a-vis Diwali, I will not be in a position to give details today. Certainly, when we have the Q3 results come out sometime early next year, that picture will become much more clear.
- Jaydev Chararia:** Sure. Just one more follow up here, in terms of the India core consumer businesses, since there are quite a few categories that we are working in. If you could just help elaborate or give some color into the subcategories in terms of their growth, etc., for us to appreciate the future potential and the nuances around each of these categories, because the India consumer business itself is quite large and that is the profit pool as I understand of the company?
- Abhiraj S Bhal:** Yes, another good question. Let me tell you the major categories and the subcategories within it that we are excited by and that we see potential in. Let us start with deep cleaning. It is a relatively big category for us. Here, we look at deep cleaning of bathrooms, sofas, carpets, kitchens, and the full

home and various parts of the home. Consumers utilize this not very frequently. It is not a high frequency use case, but on occasions such as around festivals, around guests coming over, move-in, move-out use cases, and every once in a while when they feel that this need is there. That is a very large and growing vertical for us with several subcategories. We then look at repairs as a big vertical, which includes both handyman repairs, electricians, plumbers, and carpenters, as well as appliance repair, AC, and all other variety of appliances. It is a growing vertical essential to good living and maintenance of your home. Again, a vertical that we are quite excited by in terms of its future potential, a vertical where faster fulfillment is an important focus area for us. The beauty vertical has historically been very important for us. This has several sub-verticals. Salon services both skin and hair for women, men's haircut and grooming services, as well as massage therapy for men and women. This is a large vertical for us and has been seeing good traction over the last few years and continues to see that this financial year as well. The proposition is solid, which is that instead of stepping out and going outside to get the service, you can get the service within the four walls of your home. And we believe that is a long-term trend. Consumers want convenience and consumption is shifting towards your home. And that trend will continue to play out in the beauty services vertical as well. And finally, we have painting and revamp, where we look at wall decorative solutions, both wall painting as well as wall paneling and decorative solutions. This is a relatively smaller but growing vertical for us and also of importance strategically.

Jaydev Chararia: So, Abhiraj, is the growth and the salience of these subcategories within the India consumer business broadly in a similar ballpark or is there some skew that probably we need to factor in our numbers?

Abhiraj S Bhal: So, there are certainly certain verticals and certain sub-verticals that grow faster than the others, but all of them are growing well and in line with our expectations internally. And in our view, all of them have very, very strong headroom for growth. Even our highest penetrated sub-vertical in our most penetrated city would have adequate headroom for growth. So, directionally long-term, we are excited by all of these verticals.

Jaydev Chararia: Sure, Abhiraj, that helps. Thank you so much.

Moderator: The next question is from the line of Pallavi from Sameeksha Capital. Please go ahead.

Pallavi: Thank you for taking my question. Wanted to understand in terms of what is the number of employees we have in InstaHelp? And are they on our rolls or any of them on our rolls itself and is it a fixed cost business model?

Abhiraj S Bhal: Yes. Pallavi, InstaHelp, like our core India services business operates on a gig worker model, they are not our employees, they are gig workers, who get paid out on a per job basis and there may be some minimum guarantees and early earnings commitment that we do as we densify the network, but fundamentally, it is a gig model, similar to the rest of our India core services business. The

specific number of active service partners in InstaHelp is a metric. At this stage, we have not disclosed. But at the right time, if that is a metric that we feel will help investors understand the business better, we will consider disclosing it.

Pallavi: Is it a part of the total service professionals right now?

Abhiraj S Bhal: Yes, very much. So, in the consolidated number that you see for active service professionals, InstaHelp is also part of it.

Pallavi: Right. And my second question was in regard to your total number of employees. What could that number be? It is around 1400, including the subsidiaries. And any of the minimum guarantees, are they included in the employee expense, I mean, the minimum guarantee for service professionals?

Abhay K Mathur: We have not disclosed the employee count specifically in these financials. We had disclosed that number in RHP. Second, to your question on minimum guarantee and its classification in our P&L, it is not included in employee cost. It actually lies above our contribution profit. So, if you see the line of the other semi-variable expenses, we have dropped a note over there that explains what is the composition of the expense line and minimum guarantee sit over there.

Pallavi: What would be the total number of employees, including the subsidiaries, it was 1,400 in June?

Abhiraj S Bhal: Pallavi, Abhay just mentioned that we have not disclosed that number in the shareholders letter. So, we will not be in a position to disclose it today. Thank you.

Pallavi: Right. Thank you.

Abhiraj S Bhal: Thank you.

Moderator: The next question is from the line of Gaurav Rateria from Morgan Stanley. Please go ahead.

Gaurav Rateria: Hi, thanks for taking my question again. I was just curious to understand the adoption of new categories like wall decor painting, which are typically low frequency and high AOV categories. How do you compare the complexity of building this vis-a-vis other categories that you have? Because my understanding is that as product AOV increases, the probability of disintermediation also increases. And given that the frequency itself is low, measuring the repeat rate itself is challenging to understand if that disintermediation is happening or not. Thank you.

Abhiraj S Bhal: Yes. So, Gaurav, that is a good question. You are absolutely right that the AOVs are much higher than the platform average. And therefore, even if the consumer transacts in one of these categories once in a five-year period, it substantially improves the lifetime value of that user. Disintermediation,

in our view, is not a difficult problem to solve here, especially given that it is a one-time use case. We track the sort of delivered percentage of these bookings that we get, how many of them are fulfilled, and that gives us a fairly good sense of where disintermediation is and we have not seen it to be a major challenge at all. The bigger challenge is exactly what you have articulated, which is the complexity in delivering a high AOV job. And as a result, we have been sharply focused for a few years now only on walls and have not ventured outside of walls. So, we started with simple wall painting and then we slowly and steadily went into adjacencies of your wall, whether it is seepage solutions, wall paneling, and related polishing, etc., But we have remained focused only on walls and servicing your walls because we believe that is a very large TAM. In fact, if you look at OEMs in the product categories for your home, paint OEMs represent amongst the largest spends. And the reason is painting is a very, very large percentage of the total home interior and home renovation TAM. So, we want to stay focused on walls and wall improvement and continue to build depth and expertise there to make sure we do justice to our consumer proposition.

Gaurav Rateria: Got it. And last question is on how do you think about a potential number of cities that the services would be amenable from a future perspective beyond the top 50-cities, would it be like top-150 cities or top 100 cities? Thank you.

Abhiraj S Bhal: Yes, good question, Gaurav. So, in India today, we are in about 47 cities. I would like to highlight that we would not have complete micro market coverage or category coverage even within these cities. And we had shown a 2x2 of categories in micro markets in our RHP, where the theoretical maximum was about 30,000, roughly 60 categories into 500 micro markets in the current 47 cities. And we had shown that we had only been able to populate about 10,000 to 11,000 of that 30,000. So, there is a long way to go even within these 47 cities, not just in terms of coverage of categories in micro markets, but also going deeper into those micro markets. So, that will be our first and highest priority. We will slowly and in a calibrated fashion add more cities as well over the next few years. We do not think they are relevant from an immediate growth standpoint, but from a long term potential standpoint, we certainly think the top 100 to 200 cities have potential. Hard to say exactly, whether it is 100 or 150 or 200, but yes, we definitely see a market in the top 100 to 200 cities over the long term.

Gaurav Rateria: Thank you and all the best.

Abhiraj S Bhal: Thank you, Gaurav.

Moderator: The next question is from the line of Rina Mehta from Trident Capital Investments. Please go ahead.

Rina Mehta: Hi, good evening. Thank you for taking my question. So, I just wanted to ask that on an average, what is the gross margin?

- Moderator:** I am sorry to interrupt you, Ms. Rina. We are unable to hear you, ma'am. Can you please speak a bit louder?
- Rina Mehta:** So, thank you for taking my question. So, I wanted to ask, on an average, what is the gross margin the company is making by selling the products to the service providers?
- Abhay K Mathur:** Rina, this is Abhay. So, I will call out a couple of things. One, we see the total business as one. So, between services and products, we see the business as one because our services will not be successful unless we supply high-quality products. So, we measure performance and profitability together. Second, just to tell you, gross margins in this business, when we do measure them, have always been profitable, and the product business separately also is profitable.
- Rina Mehta:** Okay. And if I want to have like metric basis on the services, like average product-type versus service-type -?
- Abhiraj S Bhal:** Sorry, Rina. This is Abhiraj. I thought I will just jump in to help you there. If you look at our management P&L, we have given a management view internally how we look at it. We have given revenues from products, B2B2C. And you can see that that figure for Q2 FY26 is about Rs.54 crores. And interestingly, we have also mentioned cost of products, B2B2C, at Rs.39 crores. The reason to show this is to actually call out the gross profit per segment. So, one can actually literally look at gross profit by services, B2B2C products, and Native. And here we have seen, depending upon the category of product, anywhere ranging from blended average of about 25-30%. In certain private labels, it could be higher. But that is the range, and it is computable from the management view that we have provided.
- Rina Mehta:** Okay. Okay. Sure. Thank you. Another question which I want to ask is, do we have a data on the service level metrics like average product to spend for service type? Like there are different types of services. So, if I want to have a service level metric, unit economics for the service level, so what are the revenue for service type and the expenses and the product expenses, and custom acquisition costs? So, unit level economics based on the service category.
- Abhiraj S Bhal:** Yes, yes. It is a good question, Rina. In our RHP, we have shown the walk of the unit economics at a service level from what the consumer pays, then removing GST, removing the payout to the service professional, what is the take rate of Urban Company, how much do we earn through other means such as platform fees, subscriptions, etc., and then we have also shown what our direct costs are, and therefore, what is the contribution in the final adjusted EBITDA at the unit level. So, that is one view which is evident in the RHP. It is a waterfall diagram that you can refer to. Also, we have shown for a service professional, the individual unit economics. And this is as part of something we call the partner earnings index, which we have been publishing transparently since 2021. A version of that is also there in the RHP. It talks about for the average partner, what is the gross earnings, what is the

commissions fee, take rate, etc., and therefore, what is the net earnings, and then looks at travel costs and product costs per service professional, and then finally arrives at net take home earnings.

Rina Mehta: I have definitely looked on those things, but just wanted to have a view on the service level metrics, like different categories of services which are more profitable and where your focus is more on?

Abhiraj S Bhal: Understood, understood. So, right now, we have not given a category level breakdown of these two. We have only given a blended average in the RHP for our core services business in India and made a note of your request, and we will look at it and deliberate internally, and if we feel it is a useful metric at the right time, we will disclose it.

Rina Mehta: Okay, okay, sure. Thank you. Thank you so much for taking my questions.

Abhiraj S Bhal: Thank you, Rina.

Moderator: The next question is from the line of Aravind Kodipaka from IME Portfolio Managers LLP. Please go ahead.

Aravind Kodipaka: Hi. Thanks for the opportunity and congrats on the listing. A quick question on InstaHelp. I know it is still early days, but has there any instances of platform leakage given the high frequency nature of the service?

Abhiraj S Bhal: Aravind, at this point in time, nothing substantial to call out, particularly because for most of our consumers, this is a replacement use case, and often those replacements happen last minute. So, by definition, it is hard for the consumer. The proposition is strong, let me put it that way. But it is something for us to track, especially as consumer behavior evolves, as more and more consumers start defaulting to this use case, and as pricing moves towards more steady state AOVs, this is certainly something that we will be visually tracking. And in line with how we think about the core India consumer services business, our focus will be on value addition on both sides to solve for disintermediation, if any, rather than preventing disintermediation. We do not believe preventing disintermediation is sustainable. No matter how many checks and balances you put in, if service professionals and consumers want to bypass the platform, they will find innovative ways to do so. Only sustainable way is that both customers and service professionals believe that going through the platform is more valuable. For customers, that is a function of trust, that is a function of immediate availability, that is a function of knowing that there is adequate grievance redressal and customer protection programs in place and also lock-in programs. And for the service professional, that is fundamentally a belief that by working on the platform, I can maximize my earnings because of the higher pricing power that the platform accords to me, and also the better utilization that the platform delivers for me vis-a-vis me being on my own. And also the platform is taking care of my non-monetary benefits such as social security schemes, training, soft loans, etc., In InstaHelp in particular,

our service professionals are very, very concerned about their safety and health, and we have invested in safety features which you can see on the app. So, all of these things and more are ways to create value for both sides of the marketplace so that they choose to go through the marketplace, and that we believe is the sustainable way forward to solve the disintermediation problem.

Aravind Kodipaka: Sure, sure, that was helpful. The second one is around the model itself. Now, when we study the home services platforms that have been around or sailed over the past decade or so, most of them have taken the pure marketplace approach. However, you have done a fantastic job in almost a hybrid services company and a marketplace sort of a thing. So, there is a high touch point with the service partner. Is that the bottleneck in terms of growth for us, given the fact that we need to onboard partners and train them for a period of time, equip them and ensure that the quality is right up there, is that the biggest bottleneck in terms of our growth?

Abhiraj S Bhal: Aravind, I look at it slightly differently. I think our full-stack marketplace model which controls the experience end-to-end for the end consumer and also empowers service professionals deeply across training, tooling, technology, and better livelihood and better earnings, is the only sustainable long-term compounding growth model in this category. That is my individual view. It may not deliver very short-term high growth rates like an asset-light model, but it is a durable compounding model that can grow much faster than the industry over a long period of time, because it underpins on creating trust for consumers and service professionals alike, which is the bedrock of home services.

Aravind Kodipaka: Perfect, perfect. That is about it from my end. Thanks for the opportunity.

Abhiraj S Bhal: Thank you, Aravind.

Moderator: The next question is from the line of Deepak Saha from Nirmal Bang Institutional Equities. Please go ahead.

Deepak Saha: Hi! Thanks for the opportunity. I just have one question. You mentioned that during AMJ quarter, you have some dependencies on the summer relevant services. Now, if you can help us understanding your broad thoughts on diversifying your dependencies from those kind of services given the uncertainty around monsoon and all that we are seeing, what that number would be, say, this year and how we are trying to reduce our dependency from those kind of services to maintain a steady state of revenue during those quarters? This is just one question I have.

Abhiraj S Bhal: Very good question, Deepak. Deepak, over the years, we have been diversifying our service portfolio and our overall revenue pools to reduce dependency on the summer categories in the AMJ quarter. We had disclosed in the RHP that summer categories in the AMJ quarter had contributed about 24.5% if I am not mistaken to the overall revenue. Now, while it was a very impacted summer due to unseasonal rains and relatively cooler weather and all summer-friendly categories, particularly in

consumer durables, etc., had taken a meaningful hit. Because of our diversification across different revenue pools, different lines of businesses, not just within India consumer services, but also Native, international, etc., and now increasingly InstaHelp, at the time it was not meaningful. Our overall revenue in AMJ for the consolidated business grew 31% year-on-year vis-a-vis the same period last year. And that itself is a good sign of the diversification that we have been doing. And that will continue to happen to reduce the dependency in the summer quarter on summer-friendly categories.

Deepak Saha: Thank you and all the best for the rest of the quarters.

Abhiraj S Bhal: Thank you, Deepak.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. With that, we would like to close the call here. Thank you, members of the management, and thank you all the participants for joining Urban Company's results call. You may now disconnect your lines.