



Urban Company Limited

Q4 FY26 Earnings Call Transcript

May 8, 2026

Garima Mishra:

Good evening, everyone.

Welcome to Urban Company Limited's Q4 and FY2026 earnings Conference Call.

As a reminder, all participant lines will be in 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. On behalf of Kotak Institutional Equities, I welcome the Urban Company Management to discuss earnings for the fourth quarter, and year ended 31st March 2026.

I welcome Mr. Abhiraj Singh Bhal, co-founder and CEO, and Mr. Abhay Mathur, CFO. The results and investor letter have been uploaded to the stock exchanges and are available on the company's Investor Relations website.

Before we begin, I'd 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'll hand the call over to Abhiraj to share the key highlights of the quarter.

Abhiraj Singh Bhal:

Thank you very much, Garima. Good evening, ladies and gentlemen. And welcome to Urban Company's Q4 FY26 Earnings call.

Q4 was a strong close to what I believe was a defining year for Urban Company — our first as a listed company.

We delivered our highest consolidated NTV growth in 15 quarters, crossed 10 million orders in a single quarter for the first time, and meaningfully improved the profitability of our core businesses. Let me take you through the key highlights.

On a consolidated basis, Q4 NTV grew 42% year-on-year to ₹1,148 crores, and revenue grew 43% to ₹426 crores. For the full year, consolidated NTV reached ₹4,290 crores — up 33% year-on-year. Our transacting user base grew 24% to 8.4 million, and 83% of NTV now comes from retained users, a number that has only moved in one direction.

Four points capture where UC stands and how we are building for the future.

One — the core is accelerating, with structurally improving margins. India Consumer Services excluding InstaHelp grew 26% in Q4 to ₹808 Cr. — our fastest in 11 quarters — with adjusted EBITDA margin expanding to 3.3% of NTV from 1.6% a year ago. For the full year, this business delivered ₹131 Cr. of adjusted EBITDA at 4.1% of NTV. To put that in context: this business was loss-making as recently as FY24.

Two — International is scaling rapidly, and now profitable. UAE and Singapore delivered 84% NTV growth in Q4 to ₹211 Cr., despite some demand headwind in the UAE in March from the escalation of the Middle East conflict. For the full year, international NTV grew 75% to ₹700 Cr., and the business turned adjusted EBITDA positive — ₹6 Cr. for FY26 as a whole. This business is now four times the scale it was four years ago.

Three — Native is on a clear path to profitability. NTV grew 67% in Q4 to ₹89 Cr., and ₹345 crores for the full year — up 122%. The adjusted EBITDA loss narrowed from ₹39 Cr. in FY25 to ₹31 Cr. in FY26, with the margin improving from (25.1)% to (8.9)% of NTV in a single year. Early cohort data is encouraging: 75% of customers whose devices have hit the first replacement cycle are renewing through UC — a strong signal of consumer stickiness that will only compound as the installed base grows.

Four — InstaHelp is our most significant investment today, and we're leaning in. A business that didn't exist at the start of FY26 delivered 2.7 million orders and ₹40 crores of NTV in Q4 — with March alone crossing 1.1 million orders. The ₹119 crore adjusted EBITDA loss reflects the cost of building a market: consumer acquisition, network density subsidies, and supply onboarding. We are investing to win, and we intend to stay ahead. Given the competitive dynamics in this space, we've shared everything we're able to on InstaHelp in the shareholder letter. We won't be going beyond that on this call, and I hope you'll understand why.

On the consolidated P&L: adjusted EBITDA for Q4 was a loss of ₹98 crores, entirely attributable to InstaHelp's ₹119 crore loss. Ex-InstaHelp, the core delivered adjusted EBITDA of ₹22 crores. We ended the year with ₹2,021 crores in cash. The core (ex InstaHelp) generated ₹106 crores of adjusted EBITDA in FY26 — we are well-positioned to fund InstaHelp's growth while maintaining a healthy balance sheet. We retain our target of consolidated adjusted EBITDA breakeven by Q3 FY28, and ₹1,000 crores by FY31.

With that, I'll hand back to Garima for Q&A.

Garima Mishra: Thank you, Abhiraj.

We will now begin the question and answer session. Anyone who wishes to ask a question may press the raise hand button on their Zoom screens. Please introduce yourself, and then proceed with your questions.

First question from Manisha Addukia, please go ahead.

Manish Adukia: Hi, are you able to hear me?

Garima Mishra: Yes

Manish Adukia: Perfect, thank you.

Hi, good evening, thank you for taking my questions, and congratulations on a great set of numbers, growth, really, really strong, and also wanted to commend the team on the extensive disclosures in the shareholder letter, they're really helpful. I have a few questions, please feel free to stop me, and I'm happy to jump back in the queue.

So first one is on just the growth bits, and I know you've talked about it in the shareholder letter in a fair bit of detail, as to what drove the growth, but when I look at just the India Consumer Services (ex-InstaHelp), even in the top 10 cities, despite no category expansion, you've delivered 25% growth. Now, one wanted to understand, have you seen this kind of acceleration in your business in the past as well? What I mean by that is the core consumer services is not a new category for you. You've been doing this for a long time. And has this time's growth acceleration been different than in the past? And why has it been different? Like, what is driving this acceleration versus what you may have seen in the past? And how much a contributor is the instant delivery of services that is leading to growth, that'll be just helpful to understand. And maybe a follow-on as to... I know you talked about durability will need to be tested over a few quarters, but any color on your sense of visibility of how long this could, you know, sustain? That's my first question, please.

Abhiraj Singh Bhal:

Yeah, that's a great question, Manish. So, Manish, you know, just to... for the listeners to understand India Consumer Services, this is a...

It's a very large and complex business. We have 60-plus service categories spread across 47 cities, in hundreds of micro-markets.

And across each and every service category and micro-market, one has to carefully build supply and demand density, while ensuring quality control, training, consistency of service, and go the whole nine yards. So we've been hard at work for many years now, doing that. We believe that many of our categories and micro-markets are hitting an inflection point.

From a densification standpoint which is driving the simple flywheel, what we've talked about in our shareholder's letter, of faster, cheaper, better. I'll spend a minute talking about this. Now, once you cross threshold density in a category in a micro-market, what ends up happening is that service professionals start getting utilized much better. Consequently, their earnings go up, and the cost to serve for the entire business comes down. Some of these benefits can also be enjoyed by the customer in terms of better value. Also, travel distances come down, job packing efficiencies move up. And therefore, service professionals are spending more time inside the consumer's homes delivering orders, and less time either waiting for orders or traveling towards orders. And therefore, customers also start to enjoy what we call faster, which is faster fulfillment.

We have started to roll out UC Instant, where you can get the service within 30 to 60 minutes. And we're in the early innings of UC Instant getting rolled out, and the goodness of UC Instant playing across the marketplace. And then better. Because service professionals are more dependent on the platform, they're seeing higher earnings, we see better retention, their propensity to follow UC SOPs, UC's quality protocols, etc, all of that improves, and that translates into better service for the end consumer. And simply put, a professional who's earning more and traveling less is generally more likely to deliver a service to you with a smile.

And we've always maintained that happy professionals lead to happy customers. So that trifecta of faster, cheaper, better, which is, you know, seems like a simple playbook, but it's very hard to execute across so many services and so many micro-markets. When it starts to get going, you know, that acceleration is possible. Now, why do we not yet want to call it

a long-term trend and want to observe for a few quarters? Because we're just getting started on this.

Yes, NTV growth has been accelerating. In Q2FY26, it was 19%, it jumped to 21% in Q3, and 26% in Q4. You know, as prudent management, we want to wait and watch, see another two, three, four quarters, and then see if we believe that, you know, the acceleration, means that from a 5-year lens, vis-a-vis what we had imagined earlier, this business can be much larger.

Manish Adukia:

Very helpful, Abhiraj, for that. One... I was just curious that... You operate in, like, multiple cities, let's say if you talk about your top 10 cities.

I'm just surprised that all of them are seeing acceleration at the same time. I mean, I thought that some cities would be in different places on the curve, where some would have seen acceleration 2 years ago, some may see two years later. So is there, like, a common thread as to why they are all seeing acceleration at the same time, or have you seen some cities already, let's say, weak in terms of growth, and some that are accelerating a lot? Like, just any dynamics that you can share there, that'll be helpful.

Abhiraj Singh Bhal:

I would say for the last few months, we've seen very broad-based demand acceleration, to the point where, internally, we feel that the real challenge was building high-quality supply across these cities and categories and micro-markets.

And we know that we've left demand on the table, across cities and categories.

Manish Adukia:

Very clear, thank you. Second question is just on InstaHelp, and I appreciate, Abhiraj, you mentioned you wouldn't be able to share too much detail, but still trying my luck. I mean, when you say losses remaining elevated for the foreseeable future, are you expecting potential losses to also increase from these levels. And when you say elevated for a prolonged period of time, are we talking about, like four quarters, eight quarters, longer than that, any color you can share, that'll be helpful. And also, maybe a related question, average order value continues to, you know, get lower. My concern there is would it be that much more difficult for you to recover AOV if they keep getting lower, and thus maybe, you know, take you further away from whatever your steady-state margin expectations are, in that business?

Abhiraj Singh Bhal:

Yeah, no, thanks for that question, Manish. So, actually, I'll just take a little bit of a step back, you know, one of our messages to the investor community is that at this stage of our company-building journey, we believe the investor community should hold us very much accountable to disciplined, high-quality execution, in our core India services business, in International, and even in Native, which means continued growth and compounding, improving margins year after year. Some quarters they'll go up, some quarters they'll go down, but a consistent upward trajectory, every year, and cash generation.

For InstaHelp, we believe that right now, the most important thing, is market leadership. We believe we have a strong balance sheet. We believe we have cash-generating core business. And we've given two clear guidelines, that we will hold as guardrails for ourselves, which is a consolidated break-even at an adjusted EBITDA level by Q3 FY28, and INR 1,000 crores of adjusted EBITDA by FY31. And we're committed to sticking to those overall guardrails. Within that, the rest of it, I think the management needs the manoeuvrability. You know, it's a dynamic market.

Some quarters, AOVs will move up, some quarters they'll move down. It'll be a combination of, you know, tactics and strategy. We're very much focused on, you know, seeing that this shapes up well in the medium term. We have our eyes on all of those numbers that you spoke about.

We believe right now the most important thing for us is continuing to cement our market leadership and staying ahead, of the game, while longitudinally making sure that loss per order keeps coming down, and

over a period of time, losses come down. How much time it will take, etc, is something we will convene to calibrate.

Manish Adukia:

Very clear, just maybe last question from me before I jump back in the queue. I know you have a, answer or a question around artificial intelligence, but if you can just maybe help summarize for us, both on the demand side, and maybe also on the cost side, what are, let's say, the changes that we can expect from an AI perspective, in terms of, you know, revenue levers or cost levers. That'd be helpful. Thank you.

Abhay Mathur:

Hi Manish, this is Abhay. I'll take that question, and thank you for asking it. I think this is an area which is full of potential for us, and, you know, we've taken initial steps. So, to start with, we've actually built a solid layer of AI on top of our core platform, which is now embedded in everyday operations.

I'll call out a few areas where we've made progress and, you know, where we're excited about for the future. I think the first one really is on quality. So we are leveraging AI extensively in proof of work. We are auditing 100% of images, which are shared, you know, during the job. Also, running diagnostics in some of our repair and appliance and handyman categories.

We've made a fair amount of progress in customer and partner support, where 55% of all partner support queries are now handled effectively through AI, and this is helping us deliver a low cost as well. They're also generating top of funnel for partners through AI, by asking existing partners to refer, jobs that were done by people earlier.

We've always been using AI for demand forecasting. AI has only made our demand forecasting and trend lines simpler and more accurate. We've started deploying it in a couple of areas for revenue as well. So, for Native, for example, if your filter life is about to expire, you will get a call from Urban Company reminding you to refresh it. We are visualizing, interior spaces for our Revamp, using AI, which helps us make decision-making much simpler.

So, you know, these early steps in revenue generation. On code, I think this is the area where we've seen the maximum progress, you know, conservatively, more than 90% of our code is being shipped, by GenAI. And this was not the case some time ago, so a lot of the basic work is being done leveraging AI. And we're also using it for fraud detection. So, I think

we're just getting started. This is a space with a lot of potential. We're actually driving usage within the organization, and we'll keep updating investors as we see more progress.

Manish Adukia: Thank you so much for patiently answering all my questions. All the best.

Garima Mishra: Thanks. Next question from Sachin Salgaonkar. Please go ahead.

Sachin Salgaonkar: Thanks, Garima.

Hi, management, good day. I have 3 sets of questions. First question on Native. Your losses have expanded on a YOY and QOQ basis. Anything specific happening out there? And Abhiraj, Abhay, any specific timelines we could have from a Native break-even point of view?

Abhiraj Singh Bhal: Yes, nothing specific, as such, to call out, Sachin, I think.

The business trajectory has grown well. Business has grown by, 67% on an NTV basis, even faster on net revenue. And, the margins have improved. So, same time last year, the margin trajectory was negative 14.7%. of NTV, and now it's, negative 9.9%. So margins have improved.

We are fairly confident, I would say, on the trajectory from here on to achieve break-even. We don't want to give a timeline yet, but, you know, it should happen in the next few quarters, I would say.

Sachin Salgaonkar: Got it. And this breakeven will happen despite launch of new products, in the Native category?

Abhiraj Singh Bhal: Yes, we believe so. It should happen, despite any new products that we launch. Some of the elevated losses are on the count of R&D for new products, so our core is actually already approaching close to breakeven.

Sachin Salgaonkar: Got it. Second question is on InstaHelp, and I completely get in terms of management having the flexibility, it's a new business.

But what we are actually seeing is both your competitors raise money. In pockets, one could see competition getting irrational.

So any guardrails you want to indicate to the analysts and investor community, hey, these are some of the things, like, for example, on a loss-per-order basis, there is no intention to become, you know, much higher than that, because I understand your medium-term and longer-term targets in terms of EBITDA breakeven, as well as, you know, where you want to have an EBITDA.

But, you know, I mean, if on a quarter-to-quarter basis losses are expecting, you know, we do expect, you know, some comfort in terms of, hey, you know, this is a threshold where one could get a sense that competitive intensity is getting completely irrational, and perhaps it's okay to let go a bit of a market share, just in case, because things are a bit bad. So again, wanted to understand any color you could give, and of course, a follow-up is, what would... because this is a relatively new business, and it is not there in most of the countries, across the globe, how could one think about any range for a steady-state economic, a unit economics, or EBITDA margin in the medium term?

Abhiraj Singh Bhal:

Yeah, no, both fair questions, and, you know, appreciate where you're coming from, Sachin. I think, you know, we've been doing this now for close to 12 years, 11 and a half years, Sachin, and we've seen various cycles of competition and irrationality, so it's nothing new to us. I'd say the level of competitive intensity that we're seeing, and irrationality that we're seeing, right now is pretty manageable. We are not perturbed by it. If anything, we're very clear that we're playing to win. And, and not playing, to look elegant. And sometimes, in the short run, you know, either you can optimize for market share, or you can optimize for on-paper elegance. And we're not optimizing for elegance. We're optimizing to win, we're optimizing for market share, and which means if we have to be irrational from time to time, we should be willing to be irrational as well. So, I don't worry about competition too much. I think our eyes are on the customer and the service professional, and we're playing to win.

Sachin Salgaonkar:

Got it. A related question on the InstaHelp is, there are adjacencies and potential new services also one could look to explore. For example, cooks, drivers, help for elderly, and so on and so forth. Are these some of the areas, or are there any adjacencies you guys are experimenting and looking to expand into?

Abhiraj Singh Bhal: We keep experimenting, Sachin, but, you know, strategically right now, we think all our energy and resources and focus should actually go into densifying and winning in the core segments. We know that some of our competitors are experimenting with some of these adjacencies, but we are focused on core. We believe the player that will win the core segment in the core micro-markets, will, that's essentially the turf to win. And that's... that's all our attention and focus right now. And, you know, we have limited resources as a company, monetary and people, and we want to focus all of them towards winning the main segment and the main micro-markets.

Sachin Salgaonkar: Very clear. And lastly, Middle East clearly, you know, is now seeing some signs of recovery. How is your business? Are we back to square one in terms of recovery, or it's still a gradual recovery?

Abhiraj Singh Bhal: No, more or less back to square one. In fact, the dip for us also was not... I mean, it was there, but we were far... we were far more resilient than most other businesses, and that's visible in the numbers that you would have seen, that we put out there on the month-on-month trajectory, so there was a dip, but, you know, the year-on-year growth continued to be pretty healthy, and, the business now is, is, you know, almost back to full recovery.

Sachin Salgaonkar: Perfect, all the best. And Garima, thanks again.

Abhiraj Singh Bhal: Thank you, Sachin.

Garima Mishra: Thank you. Maybe I'll go next. I also had a few questions. First, on the core business, right? The acceleration in NTV growth is very encouraging.

Very near term, do you think there could be some hiccup in this accelerated growth, not because of lack of demand, but because of lack of supply, right, due to elections and the resultant temporary workplace displacement?

Abhay Mathur:

Hi, Garima, this is Abhay, I'll try and answer that. So, you know, in the last quarter, we didn't really see any disruption. I think in the month which has gone by, we are seeing, you know, some level of demand loss. But nothing unusual. I think we had seen some of this coming, and, you know, we had prepped in advance, and we had onboarded, you know, more and more professionals. So I think, you know, for a services business like ours, this is a BAU problem, and there's nothing, you know, which we are really concerned about here.

Garima Mishra:

Got it. Okay, good to know. Second question that I had was on Native. Now, you've given a target of quadrupling net revenue of this business. Could you give us some sense of the pipeline of products you are building that would enable you to achieve this target?

Abhiraj Singh Bhal:

For the large part, Garima, we believe this will have to come from the current two products that we have which is water purifiers and smart electronic door locks. We've not put a timeline to it deliberately, because we don't know how long it will take, but we believe that those two segments should be meaningful enough over a period of time to get us there.

And a little bit of the revenue, and this is also because it's not just the revenue from product sales, as in water purifiers, the installed base increases. Garima, the service revenues also start to kick in. And over time, they can be quite, quite meaningful, especially given that our retention, early retention signs are very, very healthy and a meaningful multiplier of what the industry averages.

Some of, that, you know, number could also come from new products that we launch, but for the large part, I think it'll be the existing categories.

Garima Mishra:

Got it, very clear.

Third piece of the question, you know, you, on, InstaHelp. In your view, what could be the potential market structure here, say, 2-3 years out? Do you think two or more players can coexist? And a related question here is, with some competitors raising money, in fact, some of them very, very recently, do you think they might want to diversify into what is your core business?

Abhiraj Singh Bhal: Very hard to say how... both how large this market is and what the end-stage structure could look like. Generally speaking, I'm of the view that in businesses of trust, It's a winner-take-all. And, you know, this is a business of trust. So... I really don't see any reason why there should be multiple players over time.

And that's at least the mindset with which we are approaching this market. In our Core business, we have the lion's share of the market, and we'd like something similar to play out here as well.

But of course, we, are mindful that in order to achieve that, we have to deliver a superlative service to the end consumer, win on execution, and there are other funded competitive players who are also attacking the market. So, I think this will eventually boil down to execution over a period of time.

Which other services they will launch, and you know, it's honestly, beyond a point, it's not something that we worry about, because our core business is very, very large. We're still scratching the surface. We're probably sub 1-2% of the total market, addressable market. So, we're focused on what we have to do there.

Garima Mishra: Got it. And you raised this important point of, you know, building a trustworthy service. So any, you know, one or two points you want to highlight, particularly on the InstaHelp business, which sort of differentiate your service, you know, beyond the availability part, compared to whatever else is available in the market?

Abhiraj Singh Bhal: I think our view is that this is a service of trust. It's a service where the quality of the service professional, the training, the effort that you put into selection, onboarding, the details that you go in into SOPs, etc. These are the things that matter. They will compound slower, than, you know, discounts and instantaneous availability and throwing money at the problem, but they will compound in the long run. And that's what we're focused on. We actually do not dilute our quality selection and onboarding and training processes for this business vis-a-vis our core. That playbook that we have developed on the core business over the last 10 years is something that we have extrapolated to Instahelp as well. We talked about average ratings in Instahelp, which, are at 4.7, very close to where the core

is, and we believe materially better than the rest of the industry. We also believe our repeat rates and retention rates are, to the best of our knowledge, industry leading at this point in time.

And that's part of the reason why we are the clear market leaders today. So, in our view, it will eventually come down to quality of service, quality of the supply side, and like our core, this will be a supply-first business, and, you know, whoever wins the supply side of the market will be the winner.

Garima Mishra: Very clear. Thanks for that, Abhiraj. Next question, from Gaurav Rateria. Please go ahead.

Gaurav Rateria: Hi, thank you for taking my question. Congrats on a great execution. My first question is on the densification that you talked about. Have you seen any impact of competition in those micro-markets. My sense is that the... there'll be meaningful difference in the consumer experience because of the instant service that you are launching versus what competition would be doing in select categories. And therefore, they will be years behind to catch up. So, there would have been some consolidation in those micro-markets? Any anecdotal evidence, if you can share on that?

Abhiraj Singh Bhal: This is with reference to India Core, right? Yes.

Gaurav Rateria: Yeah, India Core Business.

Abhiraj Singh Bhal: Yeah, to be honest, in India Core we don't spend a lot of time looking at or tracking competition. Part of the reason could be that, you know, competition is very distributed across categories and micro-markets. I think much of this growth is actually just driven by internal factors around, you know, what I refer to as faster, cheaper, better. And as I mentioned, like, we feel we left demand on the table because we were supply-constrained for most of the quarter.

So I think that's really where our effort is. It's on the supply side, it's on making sure that, quality of our supply side, of our service professionals, training, SOPs are top notch. And we continue to drive densification, and consequently roll out instant. And I think the goodness of that, in our view, those are strong inputs. If the service is available faster, it's better value for the end consumer, and the quality of service is improving, you know, in our view, that should translate into growth.

Gaurav Rateria: Got it. Secondly, on the... is there a sensitivity to AOV from demand perspective? I know that for a lot of the basic categories, the AOVs would have remained largely similar across the last couple of years. And if there is an inflation-related problem, even if it is a transient one, there could be some impact on the AOVs. And I'm just trying to understand, based on your historical experience, have you seen any sensitivity, or it doesn't really matter?

Abhiraj Singh Bhal: I would say in the core, the sensitivity is low. In InstaHelp, of course, is very high. But in the core, we haven't... like, there's always some sensitivity, but it's... it's very much manageable.

Gaurav Rateria: Okay. Last question on your outlook on consolidated break-even. Nothing has changed, right? While external involvement on Insta category has changed in terms of potential fundraising, etc. Is it coming from greater confidence in the core business, given that you have executed or out-executed your own expectations in fiscal 26? Which gives you a very strong confidence that even if the investments were to remain higher than what you would have thought through in Insta, you would be more than able to offset that with better profitability. In the core business, so... or is it your view that the external environment could change fast? Thank you.

Abhiraj Singh Bhal: It's the former. I think we're... we feel that the way we're executing on the core will give us enough buffer and cushion. Even if the external environment, for instance, were to deteriorate. Yeah.

Gaurav Rateria: All the best, thank you.

Abhiraj Singh Bhal: Thank you, Gaurav.

Garima Mishra: Next question is from the line of Pranav Kshatriya. Please go ahead.

Garima Mishra: Please go ahead.

Pranav Kshatriya: My question is, you know, the first question is regarding the...

Garima Mishra: your voice is unclear.

Pranav Kshatriya: Hello, can you hear me?

Garima Mishra: It's better now. Please go ahead.

Pranav Kshatriya: My question is regarding the volatility in the margin for the India core business. So, while the EBITDA margins have structurally sort of trended up, in this quarter, as you said, that, you know, this, you know, you were supply constrained, and hence one would have expected the margins to sort of go up, but that has not really happened. So, what exactly led to, that situation?

And my second question is that, you know, for InstaHelp platform, what kind of cohort, you know, are we getting? Is it the same cohort which was sort of using other services is now coming to InstaHelp, or there is a new set of, customers who are coming? And is there any rub-off of, those customers, because of this application?

Abhiraj Singh Bhal: So, thanks for the question, Pranav. On the India Consumer Services, adjusted EBITDA margin as a percentage of NTV.

We've mentioned this in the past, that the right way to think about this is year-on-year versus quarter on quarter. And that's because there are multiple factors every quarter around seasonality, etc. And therefore, you know, Q1 and Q3 in every year are structurally better quarters than Q2 and Q4. Why is that the case? It's because ... you know, Q1 and Q3 are seasonally stronger quarters. Therefore, a lot of the marketing, supply ramp-up, etc. for us happens in the preceding quarters, which is Q2 and Q4. Q4 also happens to be the quarter where we have our annual appraisals. So, for a variety of factors, if we look at this business on a quarter-on-quarter basis from a margin standpoint, we'll not be able to fully understand and appreciate. Now that we have 8 quarters of trajectory, we can actually compare year-on-year. And that's what we've always told investors, that don't look at it quarter on quarter, look at it year-on-year. Year on year, Q4 has gone from 1.6% in Q4 FY25 to 3.3% in Q4 FY26, and also the entire India Consumer Services business has gone from 3.3% to 4.1%.

That trajectory, we believe, should continue, and eventually this business should get to about 10% adjusted EBITDA as a percentage of NTV, over a longer period of time. And every year, there will be margin expansion. Some years it'll be faster, some years it'll be slower. But the right way to think about it is year-on-year, not quarter.

So that's the first question. Second question on InstaHelp, I think we're seeing both existing cohorts of Urban Company consumers adopt it, but we're also seeing newer cohorts and newer customers, first time to the platform, adopt InstaHelp, and so InstaHelp, to that extent, is also helping us expand the total tap.

Pranav Kshatriya: Okay, thank you, that's from my side. All the best.

Abhiraj Bhal: Thank you, Pranav.

Garima Mishra: Next question is from Srinath V. Please go ahead.

Srinath V: Hi, Abhiraj. Congratulations on the good set of numbers. First, I wanted to understand, you know, as we go into FY27, how do we look at, you know, between adding new micro-markets and deepening our supply and InstaHelp? You know, how many new micro-markets are we looking to open, or cities are we looking to open? Because, you know, for example, in our office, more than 50% of the staff don't have access to, you know, InstaHelp. So how... when would, you know, our top 3 cities get fully covered for us, you know, across, say, Bangalore, NCR, and Mumbai, for example?

Abhiraj Singh Bhal: Yeah, good question, Srinath. I think... hard to give a precise timeline, but what I'd say is that our leaning is always towards densification and going deeper and penetrating existing micro-markets. We'll continue to expand coverage in a calibrated fashion, but we do believe that the most important micro-markets have to be won, and therefore, densifying and penetrating them deeper will be priority over proliferation.

Srinath V: Perfect. Any broad thoughts on getting full coverage in the top cities?

Abhiraj Singh Bhal: I think full coverage may not happen even for a long period of time, because, in certain parts of the city, there might not be adequate density for me to be able to have effective cost to serve. So, micro-markets that we're prioritizing are the micro-markets where we believe that as we densify, we can eventually get those micro-markets to break even and eventually become profitable, even if in the interim, they are loss-making. There'll be some parts of the city where just the demand density is so spread out that, at least so far, we haven't cracked the model to serve them well.

Now work on that will continue to happen, but, you know, if you think about how demand density, and cost to serve plays out in InstaHelp, it is actually far more hyperlocal than quick commerce. And so to that extent, you know, the prioritization playbook here is, even more important. Yeah.

Srinath V: Perfect. On the strong India services growth would it be fair to assume that, some of the Instahelp flywheel is playing out? Any qualitative comments on, how cross-sell is playing out with customers who are, you know, Instahelp customers? As the app moves to the front page, you know, of the phone, are we seeing any higher, you know, repeat usage for those particular cohort of customers that could be helping the strong growth in India services?

Abhiraj Singh Bhal: Too early to, to form a view there, Srinath. But if anything, we think the growth is in and of its own merit.

Srinath V: Got it. And the last question would be, you know, given that some level of marketing activity is also started for InstaHelp, the losses that we're posting, not necessarily all of these losses are coming from a CM level of, you know, MG and consumer subsidies. Would there be some amount of spends, you know, on performance marketing or advertising, you know, in a way, fixed cost of InstaHelp?

Abhiraj Singh Bhal: Yes, absolutely, and we've mentioned that in the letter as well, that this quarter saw elevated marketing to acquire new users, and build the brand, including for the Cricket World Cup. And actually all other metrics, which formed part of the loss per order moved in the right direction and moved positively. It was only largely on account of this one metric that the loss per order swung in the reverse direction. But everything else actually, moved in the right direction.

Srinath V: So, to be clear, contribution loss per order was actually down, but it was largely losses from fixed cost.

Abhiraj Singh Bhal: Correct.

Srinath V: Perfect, thanks. Thanks a lot. I'll get back to the question queue.

Garima Mishra: Thank you. Next question is from the line of Abhishek Pathak. Please go ahead.

Abhishek Pathak:

Yeah, hi, thanks, Garima, for the opportunity. Hi team, congrats on a great quarter. So my question was, kind of, you know, a follow-up on, on the InstaHelp, offering. Is it fair to assume that, you know, as compared to other services which require densification, the degree of densification required here is far higher because, you know, I mean, the maids, etc, they might not really have modes of transport, and from that perspective, the TAM would probably be even more constrained, considering it requires hyper densification. In that context, considering, you know, we've got, let's say, two to three players attacking this particular sort of, you know, TAM in a very irrational way, how long or rather, what are the kind of, you know, criteria we set ourselves to, in the sense that when does this market... if it becomes irrational for too long, do we choose to kind of, you know, pare back sort of our investments, or... or do we double down here, you know, considering InstaHelp can be a funnel to our other offerings which may be slightly, sort of, you know, which may have slightly higher TAM. Thank you.

Abhiraj Singh Bhal:

Yup. Short answer to that question is... You're right, InstaHelp's density is far more granular compared to core, or perhaps any other consumer internet business, to the best of our knowledge. Does that constrain the TAM? Maybe, you know, and maybe playbooks can evolve to serve medium-density micro-markets as well. So, I think that's to be seen. How large as a consequence of that, how large is the TAM and the size of the prize? We don't know, and honestly, we don't... beyond a point, like, that's not the most important thing we're worried about today. Whatever it is, we want to win it. That's how we think about it. I think we don't have a choice. We have to win, and we have to win big. If it's a very large TAM, great. If it's a medium-sized TAM, that's also good for us, because we have other businesses that we live and eat our bread off, so this business only helps accelerate those, and it plays a certain role in terms of frequency and engagement on the app. We have discussed and debated this internally, and our view is, you know, whether it's a mid-sized TAM or a very large TAM, right now, from our perspective, strategically, the only thing that makes sense is to attack it, aggressively and win it.

Abhishek Pathak:

Oh, very clear Abhiraj.

Abhiraj Singh Bhal:

Does that make sense? But that's how we are thinking about it, like, actually thinking about it pretty simply, rather than trying to overcomplicate it. Whatever the size of the TAM is, we have to win it.

Abhishek Pathak: Understood, thank you, thank you so much.

Garima Mishra: Sure, thank you. Next in line is Swapnil Potdukhe. Please go ahead.

Swapnil Potdukhe: Hi, thanks for the opportunity. My first question is with respect to, InstaHelp versus International markets. Now, the question out here is, like, is, winning in the InstaHelp market in India more important than opportunity available in, let's say, some of the other geographies where your services are not available beyond UAE and Singapore today, and there could be a potential TAM available there also. And, with limited competition compared to what is happening in InstaHelp right now.

Abhiraj Singh Bhal: Yeah, no, good question. And strategically, and we mentioned that in the past in a few shareholder letters as well, I think we've strategically chosen to prioritize India. And the two, overseas markets that we have fully owned subsidiaries in, UAE and Singapore, as well as KSA through a JV. We are clear we're not launching any other international markets I'm sure the opportunity is good in some of these markets, but from our strategic prioritization standpoint, we are focused in India and these two markets for now, and for the foreseeable future.

Swapnil Potdukhe: So, will it be fair to say that till the time you achieve your guidances, the medium-term guidances, any incremental international geography is broadly out of question?

Abhiraj Singh Bhal: Yes, absolutely. And we've said that, in one of the past letters in as many words as well.

Swapnil Potdukhe: Got it. The second question is with, respect to, is there any, seasonality in your customer marketing expenses for the, India, business? Because it seems from 3Q to 4Q for the last two years, these costs have been, increased on a, you know, quarterly basis.

Abhay Mathur: This is Abhay and I'll answer that. Yes, there is seasonality in our marketing spend and the cadence. So, typically, as Abhiraj mentioned, you know, Q1 and Q3 are the quarters where we see a lot of consumer activity. And before the beginning of those quarters, you know, and to some extent during the quarter, we do increase our marketing spends at that time. Overall, if you've seen, we have seen consistent operating leverage in our marketing spends. Over the last couple of years. But yes, in the year, there are spikes, depending on when the season is about to start.

Swapnil Potdukhe: Got it, got it. Thank you, guys, those were my questions, and all the best.

Garima Mishra: Thank you. Next in line is Pranay Jain. Please go ahead.

Pranaya Jain: Hi, am I audible?

Garima Mishra: Yes

Pranaya Jain: Okay, thank you for the opportunity. So I have 3 questions. My first question is, could you help us understand, you know, how the instant India consumer business works operationally? Like, how do you transition from a scheduled services marketplace to an instant service model. Like, do you require excess capacity initially in order to, you know, do, like, ensure timely supply? That's my first question, and I'll then follow it up with the other two.

Abhiraj Singh Bhal: Yeah, no, great question. And... how this works, I won't go into the level of detail here, but, it's a reasonable change management that we do at the back end -- Operationally, realigning the micro-markets, in terms of their size, realigning partner expectations, calendar management, availability, et cetera, et cetera, before we flip a micro-market in a category and make the instant proposition available there. We also have to ensure that there is adequate supply and demand and density therein. The interesting point here is that, and you've shown this in our letter as well, we're achieving this with increasing utilization on the supply side and not decreasing utilization. So, conventional wisdom would say that in order to offer instant, you'll have to keep slack, and therefore utilization should fall. What we're experiencing is that utilization is actually improving. That's because we're offering instantly the sweet spot of 30 to 60 minutes, which doesn't require us to break the back on capacity and utilization. If anything, those orders, see fewer cancellation rates with rescheduled orders. And, you know,

back-to-back packing efficiency is better. And consequently, we're actually seeing better utilization, as a result of that instant rollout.

So it's a real win-win, in our view. You know, it helps improve packing efficiency and overall utilization for partners, and consequently improve their earnings. It helps bring down time to serve for end consumers, and it's also more profitable for us. Obviously, if we were to take the core marketplace also all the way to 10 minutes. That would mean what you're saying, which is... which is keep a lot of excess capacity, but we don't think that's needed. We think 30 to 60 minutes is adequate for most of our core services. As long as we can deliver that reliably, consumers are happy with that change and shift.

Pranaya Jain:

Got it. Understood. Thank you for that. My second question is, on the fact that, you know, you've spoken about it earlier as well, and even this shareholder letter, that there is deep trust that is embedded in the model, given that professionals spend significant time inside the homes of the consumers, customers. But at the same time, we are seeing new instant service platforms also enter, and they are also gaining a reasonable amount of customer acceptance. So, do you think the comfort of the customer with allowing service professionals into their home is becoming more standardized over time across platforms?

Abhiraj Singh Bhal:

I think at the end of the day, any player that executes well on quality, on safety, on trust and doesn't take the customer's trust for granted, can eventually gain acceptance. And, you know, we don't make any tall claims that we'll be the only player who will enter the homes of the customers. We're certainly one of the trusted players, in our view. We also think to be able to do this across 60-plus categories and hundreds of micro-markets, in categories in our core business where the complexity of the business is much higher, in terms of training, in terms of tooling, SOPs, etc, is not an easy feat. Sometimes easy to execute that in a single category business, but not so much across multiple categories. And therefore, historically, we've also seen competition limited to one or two verticals, rather than the entire horizontal skew.

Now, it's always possible that, you know, over time, players emerge in the entire horizontal space, which is okay. At the end of the day, competition keeps us honest, you know, keeps us, charged up, and delivers the best services to the end consumers. So, it's a very large market, as we've emphasized multiple times in the past.

The total market is more than 5 lakh crores. We're still a very, very small percentage of that market, sub 1%, and, you know, I think, if anything, the focus should be on how do we keep growing the pie, versus, you know, zero sum of how we break a small pie today between players.

Pranaya Jain:

Right, makes sense. Last question is on the international business. Could you elaborate on the competitive landscape across your key markets, given that these markets are relatively more organized and structured? You know, who are your key competitors over here?

Abhiraj Singh Bhal:

Yeah. I think, in UAE, we have one more, competitor, a major, I mean, there are lots of players, but there's, there is a company called JustLife, who has been around in the market for as long as we have, a little bit longer than us. Pretty decent players. We do have respect for them, and we've learned a lot from them, and they've learned a lot from us. And we believe that the competition in that market has been quite healthy and both players are growing well. And that market continues to be very attractive from a long-term growth and margin attractiveness standpoint. So, I think that's an interesting and exciting market.

In Singapore, there are lots of smaller players, nobody meaningful to call out. Again, a very, very exciting market, growing well for us, profitably.

Both the markets, I think the headroom for growth is meaningful. We're growing profitably. Our proposition continues to improve year after year. The same playbook of faster, cheaper, better is playing out in those markets as well, and if anything, in an accelerated fashion.

Because, the demand density, you know, operates on steroids in some sense in both these markets, so we're quite excited by how our international business is shaping up across these two markets. Saudi, we don't recognize revenue, but that business is also shaping up very well. We've disclosed the numbers, and as you can see, the growth is in the right direction. Margins are improving. We now believe we have a clear line of sight towards profitability in our joint venture in Saudi Arabia as well, and we're quite excited by that.

Pranaya Jain:

Got it. Thank you for the answers, and all the best for the coming quarters.

Abhiraj Singh Bhal:

Thank you

Garima Mishra: Next question is from the line of Dipak Saha. Please go ahead.

Dipak Saha: Hi, thanks for the opportunity, am I audible?

Garima Mishra: Yes

Abhiraj Singh Bhal: Yes Dipak, please go ahead.

Dipak Saha: Yeah, so first of all, congratulations on getting great set of numbers. My, only question I have on the international side, what I understood, for the international business, you very beautifully laid out the fact that how your, you know, the subscription model has played out and, meaningfully contributing to the overall, numbers there. If you just can lay out what are the drivers that are working well for subscription model there. And secondly, how can we apply that model here, if at all the dynamics allow us to do that? These are the two questions I have, initially.

Abhiraj Singh Bhal: Yeah, Deepak, that's a good question. So, Deepak, one of the main services for us, a fairly important service in both UAE and Singapore is cleaning. Deep cleaning of the home. And while some households there have permanent house help as you can imagine, a lot of households don't, and therefore they rely on platforms like us, or local players, offline players, and the larger market to get, weekly, bi-weekly, fortnightly, monthly, or once-in-a-while deep cleaning done.

We've been able to launch, subscription programs and lock in, essentially, these households and users into more high-frequency deep cleaning. So, for example, in UAE, many of our users use our deep cleaning not just once in a while, but maybe on a weekly or fortnightly basis, and quite a few of them use it multiple times a week as well. And that actually accelerates the growth of the business.

Similarly, in Singapore, while the sub-weekly use case for our deep cleaning is not prevalent, many users use us on a weekly or fortnightly basis, and these users get locked into subscription programs, and then, you know, it becomes sort of an annuity-like business.

Some of those learnings can certainly be helpful for us here in India as well. We are toying with and experimenting with cleaning subscriptions. I believe over time, we will experiment with versions of these in InstaHelp as well. And we also have bundling programs in India, which take a leaf

out of the playbook in our international markets. So, many learnings for us, from these two markets.

Dipak Saha: Got it, that's helpful. Just in the same context, when we see InstaHelp, you mentioned that for 10% of the users, you have 8 times monthly orders, and for 1% of the top users, you have 21 times, right? So is there a scope? I know it's pretty early days, but is there a scope of enabling any subscription model for InstaHelp in India?

Abhiraj Singh Bhal: I'm sure it's possible. I'm sure the scope is there.

Dipak Saha: Super, super. Fine. And last question on InstaHelp's side, On the payment side, right, so the payouts that we're doing to our professionals, so just trying to understand, because the volume has gained meaningfully, say, 3 months ago and currently, is there any change in the structure of payment, as far as fixed payment is concerned, and job-specific variables are concerned? Is there any specific change which can improve the cost dynamics depending upon, successfully delivered services or jobs.

Abhiraj Singh Bhal: Yeah, we keep... we keep experimenting and toying with various structures tactically. That we believe are sort of best suited to win different micro-markets and keep supply engaged, and depending upon the supply-demand situation in a particular micro-market in a particular point in time, you know, we're quite nimble with some of these changes.

Dipak Saha: So, does it have any fixed component, or gradually we're moving to a lower fixed component in that context?

Abhira Singh Bhal: I mean, there's a per-hour payout, essentially, but that can vary based on the quality of the service professional and the particular micro-market, time of the day and time of the week. It's quite dynamic.

Dipak Saha: That's, that's really helpful. Thanks a lot. Last question from my end, on the user side, so, say, Instahelp and consumer services business, right? So, are we seeing incrementally, any new users coming solely for InstaHelp, and again, you're able to cross-utilize it for consumers, or it's the other way around?

Abhiraj Singh Bhal: It's both.

Dipak Saha: Okay, okay, okay. Any distribution you would like to, you know, lay out, in terms of proportion, somewhere more, it's a core business, higher proportion leading to insta-help, incrementally, or it's the other way?

Abhiraj Singh Bhal: No, not right now.

Dipak Saha: Okay, fine. Thank you. That's really it, and all the best wishes.

Abhiraj Singh Bhal: Thank you so much. Thank you.

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

Thank you.