August 02, 2026

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 July 31, 2026

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 July 31, 2026, in relation to the financial results of the Company for the quarter ended June 30, 2026.

The aforesaid details will also be hosted on the Company's website viz. https://investorrelations.urbancompany.com/

This is for your information and record.

Thanking you,

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

SONALI SINGH
Digitally signed by SONALI SINGH
Date: 2026.08.02 16:36:37 +05'30'

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

Encl.: As above

Urban Company Limited

Q1 FY27 Earnings Conference Call Transcript

July 31, 2026

Moderator

Good evening, ladies and gentlemen. Welcome to Urban Company Limited's Q1 FY27 Earnings Conference Call. We have Mr Abhiraj Singh Bhal, CEO & Co-founder and Mr Abhay Mathur, Chief Financial Officer from the Urban Company management team on the call today.

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 and the audio call and the transcript will be available on the company's website.

Additionally, this earnings call is scheduled for a duration of 60 minutes. If you wish to ask a question, please use the raise hand feature available on your Zoom dashboard. We will announce your name on the call and unmute your line post which you can proceed with your question.

Our results and shareholder letter have been published with the exchanges and uploaded on the company's IR website. Before we begin the call, I would like to remind all the attendees that some statements or comments made on the call today by the management can be deemed as forward-looking and hence may involve certain risks and uncertainties. Such statements or comments are not guarantees of future performance and the actual results may differ.

Over to Mr Abhiraj Singh Bhal for the opening remarks.

Abhiraj Singh Bhal

Thank you very much, Bhavya.
Good evening ladies and gentlemen, everyone, and welcome to Urban Company's Q1 FY27 earnings call.

Let me start by saying Q1 was a strong start to the year, and one of our best perhaps in the history of the Company. Growth was broad-based across the business, and the core became even more profitable.

Getting to the specific, on a consolidated basis, Q1 NTV grew 42% year-on-year to reach ₹1,465 crore, and revenue grew 44% year-on-year to reach ₹528 crore. Total orders reached 13.2 million, which is up 79% year-on-year. We also added around 1.2 million new customers, crossing the one-million mark for the first time in a quarter, and our annual transacting user base grew to 9.3 million.

Now, I would like to highlight four important takeaways or points before we start the Q&A.

The first is that our core India services business, Ex of InstaHelp, is accelerating and it is accelerating with margins, improving yearly.
India Consumer Services, excluding InstaHelp, grew 29% in NTV year-on-year to reach ₹1,056 crores - the first time it crossed 1,000 crores of NTV in a quarter. This is the fourth straight quarter of acceleration, up from 10% same time last year to 19% to 21% to 26% to now 29% year-on-year growth. Adjusted EBITDA margin was 6.9% of NTV, up from 5.2% the same period last year. Our core business continues to compound well based on consistent quality, customer trust, increasing partner earnings and densification of our micro-markets.

The second point I want to highlight is that our International business is now scaling fast and profitably and will become the second core profit engine of Urban Company in the coming time. NTV grew 76% to reach ₹237 crore. Both UAE and Singapore delivered profitable growth. Our JV in the Kingdom of Saudi Arabia also grew very well with margin.

The third point that I want to highlight is that Native continues to demonstrate strong growth with improving margins. NTV grew 51% year-on-year to reach ₹119 crores, and net revenue grew 60% year-on-year to reach ₹95 crores. Adjusted EBITDA loss narrowed to (7.3)% of NTV from (11.4)% a year back, so an improvement of 410 basis points. As our early water-purifier cohorts complete their first replacement cycle, about 75% of them are renewing filters through us, which adds a recurring, higher-margin revenue stream.

Fourth, InstaHelp is our largest investment today, and this business continues to scale: We delivered 3.82 million orders, up 43% quarter-on-quarter. The Adjusted EBITDA loss was ₹(132) crores. Loss per order improved from ₹(447) in Q4 to ₹(346) in this quarter as micro-market density built up. We are investing aggressively in InstaHelp to cement our leadership in a category that we believe is of strategic importance to Urban Company. We have also articulated in the shareholders' letter a better view on the size of the prize. We believe the addressable market in the top 15 cities ranges anywhere from ₹7,000 to ₹12,000 crores NTV annually.

Given the competitive dynamics, we have shared what we can on InstaHelp in the shareholder’s letter, and we will not go beyond that on this call.
The consolidated P&L, if I talk about that, Adjusted EBITDA loss stood at ₹(65) crores. But this was almost entirely driven by InstaHelp's loss of ₹(132) crores. Excluding InstaHelp, the rest of our operations delivered an adjusted EBITDA profit of

₹67 crores, which is more than 100% growth from the same period last year; specifically about 116%.

I also want to highlight that we ended the quarter with ₹2,019 crores in cash and treasury investments on our balance sheet which is only about ₹2 crores lower than where we ended the last quarter. So our balance sheet remains very strong and we continue to have a very strong core profitable engine, even as we invest in InstaHelp. We continue to retain our guidance of consolidated and Adjusted EBITDA breakeven by Q3 FY28, and ₹1,000 crores in adjusted EBITDA by FY31.
With that, I will hand it back to Bhavya to open the Q&A.

Moderator: Thank you Abhiraj. We will now wait for the question queue to assemble. As a reminder, If you wish to ask a question, please use the *raise hand* feature available on your Zoom dashboard. We will announce your name on the call and unmute your line post which you can proceed with your questions.
The first question is from the line of Mr Gaurav Rateria from Morgan Stanley. Please go ahead.

Gaurav Rateria: I hope I am audible.

Moderator: Yes.

Gaurav Rateria: Yeah, hi. Congratulations on a great performance. My first question is on your proposition around Cheaper, Faster, Better that you talked about, and that flywheel is working is visible in the last two quarters in acceleration.
At what point in time, we can make a, you know, a very bold statement that the growth trajectory has shifted north side, from India Consumer Services NTV growth perspective because this flywheel is suddenly now, you know, giving you results, that we have been waiting for some time.

Abhiraj Singh Bhal: Yeah, that's a good question, Gaurav.
I think, you know, I'll just take a minute to talk about this flywheel that you referred to. See, as we've articulated in the letter as well, our India consumer services business is not a single marketplace.

It is actually 50-plus service categories across hundreds, if not thousands, of micro-markets. And therefore, we have to build up this density across all of those service micro-market combinations while ensuring that our quality is not just consistent, it actually improves year on year, earnings for partners improve year on year, and the overall fulfillment times keep coming down.

Now, this is a flywheel that starts to rotate better with densification. As the category cross-micro-market combination densifies.

Partners end up getting utilized much better. Consequently, their earnings improve, and their churn comes down.
Partners tend to then spend a lot longer on the platform, they become more tenured, and because their earnings are improving and they're more dependent on the platform, our ability to invest behind their quality, their training, the SOPs, the tooling and the technology for that improves further. This improves the end-user quality, builds on trust and very interestingly, also brings down the fulfillment time.

And this has allowed us, through the last two quarters, to roll out UC Instant, which is basically getting all our core services, be it Salon, Cleaning, AC Repair, Electrician's Plumber, Carpenter, etc, etc, between 30 to 60 minutes, so users don't have to wait and plan anymore. And that, you know, further improves the word of mouth, improves usership, improves user retention and frequency.

Now, this is what we're seeing play out. It has been playing out for the last few quarters.

At what point can we go out there and make a bold statement around our growth? I think as management, we've always refrained from giving any forward-looking guidance on this business. We believe the business is compounding really well. We believe the growth is accelerating. And more importantly, this is not coming, as a trade-off with margins, it's actually coming with improving margins. Our long-term guidance of this business was 9-10% adjusted EBITDA margin as a percentage of NTV. And this quarter, we've already demonstrated that we are at 6.9%. So we feel very confident of reaching that long-term guidance.

I do want to highlight a couple of things, so that we also don't get very ahead of ourselves. One is that there's 29% year-on-year growth that we are seeing. The base, which is in the previous, same quarter last year, the growth was a bit muted because of unseasonal rains and monsoons. So there's a little bit of that impact as well, in the acceleration. Yet, we feel, on the whole, the acceleration is broad-based, secular and strong.

The second point I do want to highlight is that our margins in this business tend to have a certain spikiness in the AMJ quarter, as well as in the OND quarter. And therefore, margins are best visualised yearly. Year on year also, the business has delivered a very healthy 170 basis points improvement in Adjusted EBITDA margin. So, overall, I think we are very happy with where things are. We want to continue to focus on what is in our control which is focus on user quality, focus on fulfillment times, focus on partner excellence and enablement. Growth is an outcome of that. It's not really in our control, and we're obviously chasing as fast growth as we can.

Gaurav Rateria

Thank you for the detailed answer, Abhiraj. My second question is on the Insta segment. You know, I saw that you have put out a TAM estimate this time, and you also made very transparent and prudent comments around, you know, structurally, why should margins be lower in this business compared to the core India consumer business, right? And… So, just trying to understand why the segment should deserve this much of time and attention and bandwidth of the management. Is it also the fact that the competition using this segment can start venturing into the other core categories that we have? Do they get any right to win in the core categories just because they are present in this segment? So, just trying to understand various strategic aspects of how we are thinking through, from a medium-term perspective on this business.

Abhiraj Singh Bhal

Yeah, that's… Gaurav. So, A) we think Instahelp is strategically very relevant to our platform. It is a high-frequency category that allows us to enter the home on a weekly basis, rather than a monthly or quarterly basis, which is the frequency that our core consumer services business enjoys. And, if we invest ahead of the curve in this category, I think it creates a very strong volume moat around our core business, allows the user to use the app multiple times a month, and long-term, we think that will be very beneficial, for the overall platform.

So, the first point I want to make is that our investment in InstaHelp we see it beyond just the ROI from the category itself, because we visualize the category in the larger scheme of the platform that we are building.

The second point is, our view on the TAM and we've given a bottom-up, assumption on where we think the TAM is in the top 15 cities, and our view is it's anywhere from 7,000 crores in NTV to about 12,000 crores. Given that view of the TAM, I think it is even more important for us to be aggressive and capture that TAM, and capture a disproportionate share of the profit pool of that TAM.
And that's one of the reasons why we have been aggressive, and we will continue to be aggressive with the scale up of InstaHelp.

Gaurav Rateria

Sorry, last question from me on capital allocation framework. By 3QFY28, you would get too close to break-even.
or at the consol, at the Adjusted EBITDA level, right? So would that be a time when you would start thinking about, you know, allocating more capital to new segments within the existing categories, like Native. Or trying to figure out, you know, what could potentially help you to further expand the overall addressable market in each of the places, like, maybe new geographies in International business. Just trying to

understand, like, how are you thinking through, from a capital allocation perspective, from a, you know, 2-year perspective.

Abhiraj Singh Bhal

Yeah. So, from a two-year perspective, if I go segment by segment, I think the India Consumer Services business will continue to remain profitable, and throw cash out. We will continue to be disciplined in our execution and grow with sustainable margin improvement. We are not looking to squeeze all the margins out overnight. We want to be disciplined and maximize growth, while ensuring that there is steady improvements in margin. Some quarters it'll be up, some quarters it'll be down, but directionally, I think, the India Consumer Services business will be a cash generating business going forward.

We hold the same view for, International, both UAE and Singapore, which are wholly owned subsidiaries, are profitable, and we think they will continue to remain profitable. We want to maximize growth there. Again, we don't want to maximize profits in the short term. We think the market runway is tremendous, and these are growing at a very, very healthy clip, as you can see. So we want to maximize the growth there while making sure that these businesses remain profitable.

Our joint venture in the Kingdom of Saudi Arabia is also growing exceptionally well, and we now believe that we have line of sight of profitability in the coming quarters in that JV as well.

Coming to Native, I think Native has done exceptionally well in terms of growth and margin improvement. Again, something similar, I would say, for Native, where we now have line of sight of profitability in Native, over the next few quarters, and the incremental capital between now and when Native starts to generate cash, in our view, will not be very substantial.

So the real area where we are investing today is InstaHelp. I think InstaHelp, fair to say over the next 2 years, if not longer, will continue to take investments. InstaHelp, we are evaluating quarter on quarter what is the right level of investment. And as our view of the market, of the competitive intensity and the size of prize is evolving, so is our view on capital allocation.

I think you're right. When we get to that overall adjusted EBITDA break-even stage hopefully, latest in the next 18 months or so, then it will be an important point in time for us to step back, and start to optimize, you know, basis our capital allocation framework, where to deploy the capital on our balance sheet to grow faster.

I don't see us entering any new international markets. I think we are focused on India, and focused on deepening our penetration in India, and I think that'll be where most of the effort will go.

Gaurav Rateria	Thank you all the best.
Abhiraj Singh Bhal	Thank you.
Moderator	Thanks Gaurav. Our next question is from the line of Mr. Manish Adukia from Goldman Sachs. Please go ahead.
Manish Adukia	Hi, good evening. Thank you for taking my questions, and again, a great set of results. My first question actually is, Abhiraj a follow-on to your last comment that you made to Gaurav's question, where you mentioned that you have no plans to enter any new international markets. Now, given just your track record in the three markets where you operate in, particularly UAE and Singapore, which not only have continued to accelerate growth, or continue to grow really fast, but have also now shown a proven model of profitability, why should you not be able to export that same model to a few other markets and expand it, particularly when your India Core services is generating cash, your Native, you say, will become profitable in a few quarters. And Instahelp, I'll come to in a bit as my second question, but just trying to, you know, understand that part a bit better as to why would you not enter new geographies when you already have a playbook of making them profitable while growing?
Abhiraj Singh Bhal	Thanks for the question, Manish. Manish, two-part answer to your question. One, I think purely from a management bandwidth standpoint, we have our hands full. With the India business opportunity, as well as actually doing justice to the opportunity, in UAE, Singapore, and the JV in Saudi. We believe these markets are only getting started. As you can see, the growth rate is extremely healthy -- 76% year-on-year growth in NTV terms, even if I remove the currency impact, it's a very healthy 58% year-on-year growth and the opportunity size is large in these three geographies, as it is extremely large in India. So we want to make sure that all our attention as management goes into doing justice to these opportunities. That's the first, and probably the most important reason. The second is, I think I also don't want to trivialise what it actually takes to enter and win in a market. It takes much more than, you know, just great execution. Often the playbooks have to be customized for that particular market, and you need, to be honest, a little bit of good luck and timing and fair winds on your side as well. We've had that with us in UAE and Singapore, along with just, you know, exceptional execution by our teams there. But we've also seen the flip side of this in Australia and the US, back in the day, when we had launched them, pre-COVID and around COVID, and we didn't have, you know, the fairness of that love on our side. So we've seen, you know, the story of our internationalization play out over a few years. And I think what we've concluded is that the markets where we are present are very large, and we are better

off, as management, focusing all our attention and energy on these markets, particularly India. Maybe in a few years, we may change that thought process, but at least for the next few years, I think we have our hands full with the opportunity that's available in India and UAE, Singapore, and the Kingdom of Saudi Arabia, and we want to be sharply focused on these.

Manish Adukia

Thank you, Abhiraj. That makes a lot of sense. Thanks for answering that. My second question is on India core services and the margin profile of that business now, given that in 1Q, you're already closer to 7% of NTV, and you've guided for 9-10% of NTV, which now seems a lot more, let's say near-to-medium-term than where it was maybe earlier, do you think, and given that growth is still accelerating for the business, do you think now there is a probability that you may actually do better than what you've guided on that 9-10% margin profile and exceed that number, or would you intend to cap that margin at 10% or thereabouts, and beyond that, whatever the margins are, you will just look to reinvest in growth, so any color there would be helpful.

Abhiraj Singh Bhal

I think our goal right now is to get to that number. Not be in a rush to get to it to make sure that we do justice to the market opportunity and the TAM, and prioritize growth above all else. Thankfully, in this business, growth and margins are not at loggerheads with each other. The faster you grow, the more margin you unlock, and we've demonstrated that consistently in the past few quarters and years.

So I think priority number one, very, very clearly in the business is to grow fast. And priority number two is to continue to show margin expansion. I think once we get to that 10% stage we'll have the optionality to then decide -- do we want to take it up further? Do we want to start reinvesting back to grow faster and keep it at that level? Etc. And, we'll take the right call for the business at that point in time. I think we're still, you know, some distance away from that. So right now, the focus remains doing justice to the opportunity ahead of us in terms of growth and ensuring disciplined improvement in margins year on year.

Manish Adukia

Very clear. My last question is on Instahelp, and again, maybe just delving a little bit deeper to your response to Gaurav's question earlier. Firstly, from a market position and profit pool perspective, like you said, you think you should be able to capture a disproportionate part of the profit pool at some point in time, but given that you have revisited your TAM assumptions this time around, and are also calling out explicitly that margins here would be structurally lower than the core businesses at least now, do we have enough comfort and confidence that this segment can be profitable at all? And without assuming material consolidation, let's assume that there are two players in the market, even in that scenario, do you think that this segment could at all have any profit pool in the foreseeable future? And, second, even if in a scenario where it does not have a profit pool, and given what you articulated earlier about this segment being strategic and how it drives engagement for your core business. As long as the business continues to operate in a narrow-loss range? Would you still be okay to continue to operate it in the medium term, even if the profit pool is not large enough. Like, your thoughts there. Thank you.

Abhiraj Singh Bhal

Yeah, so… Let me… Let me delve a little bit deeper into both the TAM and emerging from the TAM, our view on the profit pool and how we want to execute.
So the TAM, as we've articulated in the letter, stands between 7,000 crores and 12,000 crores.
There is a base case assumption which assumes 7 to 8 million monthly transacting households doing 3 transactions a month at the full price of 300 rupees or 200 rupees per hour. And just to put things in perspective that already assumes, you know, that the annual transacting usership will probably be around 20 million households. Because that's usually the ratio in which the monthly transacting users interplay with the annual transacting users. We've seen that in our core business, we've seen that in other categories like food, etc. And then in the bull case, where we are able to unlock a model that goes beyond the walking model that we have right now, and do it profitably, the TAM in the top 15 cities can perhaps expand to 10 to 12 million monthly transacting households, and that automatically translates into a 10 to 12,000 crore NTV.

Now, I would also want to call out one specific thing around this TAM and the nature of it. If you actually look at the, and there's an old adage, right, that gauge someone by their actions, not by their words. So if you actually look at the actions of the 3 players in the market over the past 6 months, actually, all of us have limited ourselves to micro-markets where the household coverage that we are covering today is only about 3.5 to 4 million households. Most of the investment today is actually not going into expanding coverage and expanding lots of new users into the TAM; where it's actually going into is artificially subsidising orders largely of repeat users. And Urban Company is as guilty of doing this as everybody else, because there's a certain competitive dynamic, and we are prioritizing leadership right now above everything else.
So, we believe it's a matter of time before the market, the broader market, is able to see what we already see in our most penetrated micro-markets, our assumptions on the TAM that we've laid out, because we have a full understanding of all the micro-markets that can be served well in the top 15 cities coming from our core business, etc, etc. The bull case assumption that we've given here of 10,000 to 12,000 crores is actually a bull case.
And we're not being conservative in this range of TAM.
Our base case assumption is 7,000 to 8,000, and the aggressive assumption is 10 to 12,000. Our conservative assumption would be even lower and that conservative assumption would assume that usership falls as the prices go all the way to ₹300. In this TAM assumption, we have assumed that usership does not, it retains at that 3 orders per user. So that's just the view on TAM.

Now, given this view, we believe that it is even more important for us, over the next few quarters, to be aggressive. We are opinionated about which micro-markets within the overall addressable TAM matter and how do we win disproportionate share in those micro-markets, and how do we win disproportionate share in this early TAM. And we think this battle will largely play out in the next few quarters which is why we want to be very aggressive right now. So that A) we capture a disproportionate share of the TAM, and B) we capture a disproportionate share of the profit.

When will the pricing correct to its full potential? Very difficult for us to say, but whenever it corrects, the player that has a disproportionate share of the TAM, and the more profitable segments within that TAM, is likely to enjoy the maximum share of the profit. That player will see the least correction, as far as order volumes are concerned, when pricing goes up fully. That player has maximum likelihood of breaking even, and eventually running this business slightly profitably at a very low margin.

We've also articulated that we don't think the margin profile of this business, given everything we understand of it, will reach anywhere close to India Consumer Services. It will be, in all likelihood, a low single-digit category. We certainly have no intentions of making any money from this business over the next 5 years, and our assumption is this business has to break even by FY31. We'd be happy if it gets there.

Manish Adukia	Very comprehensive and very clear. Thank you, and all the best.
Moderator	Thanks, Manish. Next question is from the line of Mr. Sachin Salgaonkar from Bank of America.
Sachin Salgaonkar	Hi, Abhiraj, congrats on a great set of numbers. I have 3 questions. First question, let me start on InstaHelp. Now, both your competitors in this space are actually of the view that AOV of the segment is not going to increase, and it might remain low. What gives you comfort that the steady-state AOV could eventually be at ₹300 if both your competitors actually believe that directionally AOV will be relatively low.
Abhiraj Singh Bhal	Sachin, we've articulated that the AOV has to get to around ₹300 for this business to break even and let me explain why. Today, on an average, our view is that, sustainably the service professional has to be paid about anywhere between 130 and 160 rupees per hour. Let's take a rule of thumb of about ₹150. Why ₹150? Because at best, even if you achieve incredible utilization at full potential, you can utilize this service professional in a month by about 140 to 150 hours. 150 hours assumes that they are working 25 days in a month, and you're utilizing them for 6 hours of utilized time, on a base of maybe 8 to 9 hours of time that they give you, which is around 65%. At that point,

their net earnings clear the threshold of about ₹20,000 to ₹22,000, which we feel is the minimum required net earnings for this category to be attractive, to be able to get supply side from offline, where they are making around ₹15,000 to ₹17,000.
So that's why there is a range of ₹130 to ₹160. ₹150 is sort of the bare minimum sweet spot, in our view.

Unlike quick commerce, beyond a point, like this category, there is benefit of utilization and densification, but beyond that, that benefit taps out at a certain point in time. So, it's not that you can keep utilizing this individual more and more and more. And if you squeeze the payout too much, then it shows up in other ways, which is more churn, therefore more onboarding costs, more training costs, etc, etc. So one way or the other, our view is that sustainable pricing, and sustainable earn-out is at that level. We have this view, based on 11 years of operating across 50-plus categories, having seen this play out many, many, many times over.

I would not like to comment on how prudent the view of our competitors is. If the category has to clear gross margin breakeven at 150 rupees an hour, then for all the other costs that we incur, which is customer support, marketing, team costs, training costs, etc, etc, we believe that the pricing has to at least be at 200 rupees per hour. Whether the category will get there and at that point in time, how will user behavior evolve? We've seen evidence of the category getting there in micro-markets that are not that competitive. Obviously, the rate of growth and the rate of penetration does take an impact, but enough users are willing to get there, so that gives us the confidence that eventually, the category can get there. And we also believe that we need that 50 rupees on top, for this category to break even to meet all our costs. How soon will it get there? Will it take a couple of years? Will it take 5 years? We don't know. We're taking the worst case here, which is 5 years, that this will be a very, very gradual build-up to that point, just given the competitive intensity, which we think is likely to sustain for a while.

Sachin Salgaonkar

Pretty clear, Abhiraj. Second question is on the core business. As you guys rightly pointed out, it continues to surprise on the positive side. And I do understand management doesn't want to give any guidance in this. But, you know, the way we look at it is there's no real reason why the growth, you know, may not even further accelerate from these levels. A, you are expanding more into Tier 2 cities, where eventually growth will pick up. You mentioned Beauty as a category, but I'm sure other categories are also sort of, you know, scaling up as you densify out there. So, you know, when we think about, let's say, the time for this space, is there a rethink that the TAM might be larger than what you guys thought? And, you know, in the call you earlier articulated, there is perhaps a positive read-through from InstaHelp, and, you know, one can't notice that since you guys accelerated InstaHelp, you know, if anything, your core business has also started to have, sort of, you know, move up in a meaningful manner.

So when we think about the time, when we think about the opportunity out here, and clearly competition is, hardly anything in this space. How big could this market be, and how, you know, how should we think about a medium-term opportunity for this space?

Abhiraj Singh Bhal

Yes, Sachin, we also believe the TAM here is very large. And if anything, every year, we feel we have underestimated the TAM. For instance, it's quite visible that our Tier 2 markets are performing even better than Tier 1. And honestly, I think we're only beginning to do justice to that potential in the Tier 2 markets. So I think the TAM is large. I think we are only getting started.

If you look at the size of the TAM, and even in our most penetrated, oldest cities, like Delhi NCR, for example, and some of our oldest categories, we have a fair amount of headroom, and that's one of the reasons why our oldest micro-markets in these cities continue to perform very well. Can it grow faster than 29%? Look, I, again, would reiterate that I don't want to get ahead of ourselves. I don't want to set the wrong expectations. I think that 29% does have a little bit of, you know, margin there because of the low base last year. And it has been only a few quarters back that we were growing at 19% or 17%, etc. So, you know, yes, we've seen acceleration. 19 has gone to 21 has gone to 26, has gone to 29.

We at our end will continue to do whatever is in our control. Focus on the basics, focus on great quality, focus on supply sufficiency, focus on better fulfillment times, focus on customer excellence. I think the growth rates are an outcome of it. I would not get too caught up with a quarter here or a quarter there. I think, secularly, we would like to grow at a very, very healthy pace and do justice to this opportunity while improving customer trust and customer quality. That's our focus, and I think if I take a 5-year view, there's no reason why this business cannot be significantly larger than it is today.

Sachin Salgaonkar

Pretty clear. And last question, on AI, and how you guys are using AI. And the question is from a point of view that, you know, you did mention one of the reasons for the margin improvement, what you're seeing in core and across businesses is AI. I just want to understand how much of the AI-led benefits are already getting factored in, and how much is there room to further improve margin as you continue to leverage more AI?

Abhiraj Singh Bhal

Yeah, so I think AI, I would say we are still early in fully leveraging the benefits of AI, across all aspects of our business. I think we are making the aggressive push to be an AI-native company. And just to give you a few examples, a lot of our support on the supply side as well as the customer side, if not all of it, is now AI-led. Significant efforts go into supply-side onboarding through AI. We are now leveraging AI in training for the supply side as well. Quality control, quality audits inside the job, across millions of jobs, through proof-of-work audits are happening through AI. We've started to leverage AI very meaningfully in fraud detection and fraud control across the marketplace, more than 90-95% of our code now is written by AI, and we are seeing a lot of leverage in our engineering costs and headcount therein.

And all our other teams are also aggressively deploying AI. For example, our entire marketing team today is leveraging AI end-to-end, from creative creation, to campaign deployment, to optimization of those campaigns, to learnings and redeployment. Our Finance and HR teams are using AI end-to-end. So, I think this is a huge technological shift. We want to be at the forefront of it.

In terms of, you know, back to margins, I think we've started to show up. But there's a long way to go. And we are also thinking about AI not just from an efficiency and cost improvement lever, but more importantly, as a lever, that can help make our marketplace significantly healthier and improve our quality of service and experience for the end users. That's the primary goal, and we believe AI can help us get there.

Sachin Salgaonkar: Very clear. Thank you, and all the best.

Moderator: Thanks, Sachin. Our next question is from the line of Ms. Garima Mishra from Kotak. Please go ahead.

Garima Mishra: Thank you so much for the opportunity, and congratulations on the results. First question, Abhiraj, is on the India business itself, and it has shown meaningful acceleration over the last few quarters. This quarter in particular, you've called out the Beauty segment as one of the important contributors to growth. What specifically has driven faster growth in this segment, and is this growth sustainable? I also add this in the context that competition in this vertical also seems to be fairly high.

Abhiraj Singh Bhal: Thanks, Garima, for the question. The Beauty segment, I think, has definitely seen a resurgence in growth in the last two, three quarters, and we've been hard at work to do that. I think one of the things that we've done in this segment aggressively is work with our supply side to improve the overall quality of service, retraining, retooling, for a lot of them. And that we felt was an area where we perhaps had underinvested a couple of years back. So last, I'd say, for the past year or more we've been hard at work there. We've been driving a mobility program as well to make sure that all our service professionals in the beauty space, most of them are women, have access to a two-wheeler. A minority of our professionals had two-wheelers about a year back, today, that number is a majority. And, you know, we're working hard to make sure that that number gets closer to 100% over time. What that means is, simply put, better quality of service for our end users, and better fulfillment times, especially as the mobility solutions start getting unlocked, along with densification.

We've also expanded our assortment quite meaningfully. This year, we've launched, for example, a set of Japanese facials. In our Luxe category, we've launched, you know, in partnership with Forest Essentials, a new line of Ayurvedic facials and solutions. So we're constantly waiting on the assortment as well to stay one step ahead of the curve. My team tells me that, you know, Korean facials and Korean beauty is now a trend of the past -- one of the areas where we had innovated back in the day. The new trends are now around Japanese facials, etc. So, the idea is to stay one step ahead of the curve as far as assortment is concerned, as far as quality of service is concerned, and as far as fulfillment times are concerned.

Competition. I think, there's always going to be competition, so I think that's a healthy thing, keeps us on our toes, helps us improve, and we have to, you know, make sure that we're winning on our proposition, for the user, which is faster, cheaper, better.

Garima Mishra	Got it. Next question that I had was on InstaHelp, and this is on the TAM assessment, and I understand your point of household clusters, and how that limits how many households can potentially be customers of this service. But you think in your assessment, there is a possibility for the frequency that you have pegged at 30 to 40 times annually to be ultimately higher?
Abhiraj Singh Bhal	I think for that to play out, the category has to go from being a back-up to a main service.
Garima Mishra	Mmm.
Abhiraj Singh Bhal	We have not necessarily seen adequate evidence of that happening at scale. Sure, there is a sub-segment of users who are doing that. And it's a stage of life, generally, bachelors and younger users end up, you know, not wanting to commit and use this service every single day, so they're okay to get InstaHelp 2-3 times a week. And consequently, their usership can look more like 8 to 10 times a month.

That segment is not tremendously large. And we feel that offline pricing at about anywhere from ₹80 to ₹100, or highest 120 rupees an hour, is very, very competitive for the full-month subscription use case. And it will be hard for us to honestly compete. Also, the 30 to 40 transactions in a month is data that we're seeing right now at highly compressed AoVs.

In our experience building marketplaces and having learned from others, rarely do larger future cohorts behave better than early cohorts. Usually, the usership in future cohorts only deteriorates. So, all things considered, we think If the category can actually land at 3 transactions a month, once the pricing fully corrects. For 10 to 12 million monthly transacting households, it'll be a home run.

Garima Mishra	Got it, got it, that's clear. Last question from me, maybe again on the InstaHelp vertical. We do see that often existence of multiple players offering similar services and also incurring cash burn, it results in some eventual consolidation. Are you seeing any signs of this happening in the InstaHelp type vertical anytime soon?
Abhiraj Singh Bhal	I think the category is still very, I mean, the competitive intensity and the category evolution, is still a little bit early for some of that to play out. Our sense is that what we are seeing the market will eventually see, Capital markets especially on the private side, will go beyond narrative. To look at the actual health of the business, size of the prize, and what can become here. And we would like to make sure that we continue to sustain the pressure on our private friends, continue to remain in leadership, and increase our market share. So that we are the eventual winners of this category. We've made our point clear in the last Earnings call as well that we are playing to win. We're not playing to look elegant. We don't want to give an inch away. We think this market, like most home services, it's a winner-take-all. Trust compounds to the number one player. We don't think there's a very large, unbounded market which can support multiple winners. We want to be the eventual winner here. And that's what we're gunning for.
Garima Mishra	Perfect. Abhiraj, thank you so much, and wish you the best.
Moderator	Thanks, Garima. Next question is from the line of Mr. Srinath V. from Bellwether Capital.
Srinath V.	Hi Abhiraj, just want to, you know, hear your thoughts. There's been a significant, you know, incremental addition of annual transacting users in the core India services piece. That's about 5 lakhs quarter-on-quarter, which is a significant step up. Want to understand, you know, is this largely organic in nature? What kind of app downloads are we seeing? How are the upper funnels playing out, you know, as the growth acceleration is, like, visible in India services? Anything that you can call out or share on that, that would be great.
Abhiraj Singh Bhal	Hey, Srinath, thanks for the question. Srinath, I think we're fairly happy overall, I would say, with the pace at which both the users, transacting users has grown, in this quarter, as you rightly articulated, more than half a million, and also, you know, their spends Now, I do want to call out that this is a seasonally, exciting quarter, and so some of that is also seasonal Srinath. But otherwise, also, I think, secularly, the trend is looking

solid. I think all the funnel metrics are moving in the right direction, Srinath. In, MAUs, DAUs, and consequently the MTUs. And, if anything, the conversion rates are only improving as trust improves. Our fulfillment rates have improved as well, which is, you know, from order placement to, fulfilled, and there's a little bit of benefit of that as well. So all of this is coming together. I do want to highlight that this is not at the back of more aggressive marketing. In fact, seeing year on year, in the India Consumer Services business, the marketing spends, same period last year were ₹24 crores, and this year they've been ₹25 crores. So actually, more or less flat marketing, but we've been getting a lot better ROI for our spends there.

Srinath V. Fantastic. If, you know, in the next shareholder's letter, if you could share an indexed value of some of these, you know, traffic figures or something like that, just to, you know, get a feel. If you could just share it one time, that would be interesting.

Just going to my next question on training. Two parts, both for InstaHelp and for India Core Services. Could you kind of help us understand how our training capacities are playing out in InstaHelp? Have you been able to, you know, significantly increase it? Because, say, in the location I stayed last weekend, you know, I couldn't, you know, get the InstaHelp because it was all, you know, sold out. So how are the training capacities playing out? And the same question for Core services. Again, as we see a gradual acceleration of growth, and factoring in that our existing professionals have better utilization, I think still we would need some sort of growth in training. So how is that playing out, given the more diverse services under that basket?

Abhiraj Singh Bhal Yeah, no, good question, Srinath. So, on Core, Srinath, I think, we are, you know, definitely, definitely very mindful that we need to make sure that we have adequate training infrastructure, and also capacity of our trainers, and equally leverage AI to make overall training more efficient. It's a big and important focus area for the company right now, and for me. I would say we have, you know, we have the engine running smoothly and well-oiled right now, so we are able to cater to the growth. And even for the next few quarters, I think we have a very clear plan in place. So I think we're in a comfortable spot, I would say, in the core, but we continue to focus on that meaningfully.

On InstaHelp, I think it's all hands on deck right now. The pace of supply addition has been very high, and consequently, keeping pace with our training infrastructure and our trainer capacity, and making sure that our training efficacy also improves and we're not just throwing, you know, more training rooms and more trainers at the problem, but actually making sure the trainings become more efficacious, and the ROI on those trainings improve. I think all of those are a work in progress. That category will take a little bit longer to settle down. So, yes, I think there it's, it's all hands on deck right now.

Srinath V	Thanks a lot, Abhiraj. Fantastic.
Moderator	Thanks, Srinath. Moving on to our final question of the evening, I call Mr. Pranav Kshatriya from Emkay Global.
Pranav Kshatriya	Yeah, hi, thank you for the opportunity. My question is on Native. So, if I look at, you know, we've seen a good scale-up despite operating only in two categories, and I see some of the products you are launching are more premium. Is that shift basically on the back of more premium customers, what you have? And the second part of that question is that, you know, how should we see this as a number of categories that pan out over a medium term? Because the two categories where you are present are fairly small categories, and, you know, how should that sort of play out over time? Thank you.
Abhiraj Singh Bhal	Thanks for the question. I think on Native, our goal has been to make sure that the quality of our products are truly exceptional and world-class. That's the bar and the benchmark that we have maintained from day one. I think back in 2023 October, when we launched our first set of water purifiers M1 and M2 -- they completely changed the language of the category. The category which had largely focused on a razor blade model, and convincing customers to get their water purifiers serviced every few months. We came out with a very innovative, high-performance device that needed no servicing or filter changes for 2 years. And it was smart. It was fully integrated with the Urban Company app and backed by the exceptional service fleet that we have which allowed us to rapidly gain share in that category, and serve consumers better, more importantly, and also change a category where some of the existing incumbents and new players are somehow trying to live up to that promise. And the rest of the industry has barely caught up. Our view is that we have taken that language to the next level. With M3, we are now launching a 3-year, no service needed. Very high quality machine with a stainless steel tank, adaptive mineralizer and pH balancer, etc, etc. So this actually takes the category to the next level. Yes, it's a premium product, but if you look at the lifecycle ownership cost that actually is much lower. Because for 3 years now, you don't need any servicing, you don't need any filter changes. So, the cost of ownership comes down, and more importantly, the headache comes down. Consumer durable is supposed to remain durable. That's what we're trying to do here. Even after 3 years, you get 1 comprehensive service from Urban Company, and you're again set up for 3 more years. So I think this is a completely different paradigm altogether in the water purifier business. Similarly, if you look at our Native Lock Ultra, the most recent smart lock that we have launched. It comes with an inbuilt camera feature, which is extremely seamless, and

therefore, the moment you come in front of, you know, the smart lock, it automatically unlocks the door. It has many other features, like a lurker alert, so that if somebody is lurking around your house, it alerts you, etc, etc. And, very, very comprehensive, state-of-the-art, built-out security features, etc. Completely tamper-proof, and so on and so forth. It has been very well received by the market. Highly rated on online platforms. And we are very pleased with the progress of these two categories.

We think there's a lot of work to be done in both the categories. If at all we have to venture into another category over the next 5 years, maybe we will enter one more category. But that's about it. We don't want to proliferate too much. We think there is a lot of work to be done in water purifiers and smart door locks. We'd like to do justice to that. And maybe, over a period of time, look at seeing if there is one more category that Native would like to enter. That's about it.

Pranav Kshatriya: Will, you know, the future product, whenever you enter that category, would you want to constrain yourself to some premium products, or you would, you know, want to sort of, be there across the entire gamut?

Abhiraj Singh Bhal: Yeah, it's a good question, and goes back to the strategy of Native.

So let me start by saying what we're not trying to do with Native. In Native, we're not trying to build a consumer durables company or trying to be a consumer durables player. That's not our strategy, and we certainly don't think we can compete by being everywhere for everyone. What we're trying to do in Native is serve an underserved market which overlaps with our core users on the Urban Company platform and enter categories which have very strong adjacencies to our core services business with superior, tech-first, new-age products that can capture a disproportionate share of the profit pool of that industry, even if they don't capture a disproportionate share of the revenue.

It is our view, and a considered view, that a meaningfully larger share of the profit pool sits on the top, vis-a-vis the revenue. Therefore, we want to remain in the premium segment. We want to serve our users. We have 9.3 million annual transacting users. These represent the top 9.3 million households, or whatever, 8 million households in the country and we want to serve them more deeply through Native as an extension of our core services. This allows us to go from being a mere services company to a home platform of services and solutions for you. That's how Native is deeply intertwined with our overall own platform vision. And whatever fits into this strategy, we will do. And whatever does not fit into the strategy, we will not. But we are certainly not building a consumer durables play in Native. The idea is to build a strong solutions play, which is extremely synergistic with our services business and our platform.

Pranav Kshatriya: Thank you for such a detailed answer. Wish you all the very best.

Moderator Thank you, Pranav.

Thank you, everyone, for your participation. You may now disconnect your lines. Thank you, and enjoy your evening.