

Urban Company (URBANCO) - ADD

Company Update

Current Market Price (CMP)

Rs. 111

Fair Value (FV)

Rs.135

Rationale:

- Urban Company's InstaHelp business crossed 50,000 daily bookings in February 2026.
- While this milestone represents a peak day, we believe it still represents significant scale-up in a category that is ~11 months old.
- We note, however, that competitive intensity in the segment is also scaling up, with Snabbit recording nearly 30,000 orders per day in February 2026 and Pronto managing to touch peak bookings of 18,000 per day.
- Price competition and geographical scale-up by peers will drive near-term losses in the segment.
- We currently value this business at US\$40 cr for Urban Company.
- We arrive at an SoTP-based Fair Value of Rs135.

(CAGR - Compound Annual Growth Rate, EBITDA - Earnings Before Interest, Taxes, Depreciation, and Amortization, EPS- Earning Per Share, NTV - Net Transaction Value)

👍 Positives:

- Urban Company reported cash on books of Rs2100 cr as of December 31, 2025.
- Its core India services are profitable and we expect it to report EBITDA of Rs120/170 cr in FY26/27.
- We believe UC will potentially be in a better position than competitors given its superior liquidity situation and experience in customer and service agent acquisition.
- We estimate revenue CAGR of 24% over FY26-28E

👎 Negatives:

- UC reported EBITDA loss of Rs61 cr in Q3FY26 in its InstaHelp vertical.



The content of this document has been derived from KIE research report. Kotak's PCG Research has summarized the report (Research Team: shrikant.chouhan@kotak.com). Readers who wish to access the complete report are kindly requested to contact their respective Relationship Manager. Further, the recipient of this material should take their own professional advice before investing.

Holding Period: 12 months

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- BUY** – We expect the stock to deliver more than 15% returns over the next 12 months
- ADD** – We expect the stock to deliver 5% - 15% returns over the next 12 months
- REDUCE** – We expect the stock to deliver -5% - +5% returns over the next 12 months
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- NA** – **Not Available or Not Applicable.** The information is not available for display or is not applicable
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- NOTE** – Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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