January 31, 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 January 23, 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 January 23, 2026, in relation to unaudited standalone and consolidated financial results of the Company for the quarter and nine months ended December 31, 2025.

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

This is for your information and records.

Thanking you,

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

SONALI SINGH Digitally signed by SONALI SINGH Date: 2026.01.31 17:30:51 +05'30'

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

Encl.: As above

Urban Company Limited

Q3 FY26 Earnings Conference Call Transcript

January 23, 2026

Moderator: Hello everyone, welcome to Urban Company Limited's Q3 FY26 Earnings Conference Call.

From Urban Company's management team, we have with us today Mr. Abhiraj Singh Bhal, CEO and Co-Founder, joined by Mr. Abhay Mathur, Chief Financial Officer.

An important announcement before we begin – anything said on this call which reflects future outlook or which could be construed as a forward-looking statement may involve risks and uncertainties. Such statements or comments are not guarantees of future performance. Actual results may differ from those statements. Please note that this earnings call is scheduled for a duration of 60 minutes only.

Post the management's opening remarks, we will open for an interactive Q&A session. Interested participants can type their questions in the Q&A tab and we will pick them. When your name is announced, please unmute and introduce yourself before asking the question.

Over to Mr. Abhiraj Bhal for the opening remarks.

Abhiraj S Bhal: Thank you very much, Bhavya. Good evening, ladies and gentlemen. Welcome to Q3 FY26 earnings call of Urban Company. I thank you all for joining us today. Q3 FY26 was a strong quarter for Urban Company, marked by healthy, broad-based growth and continued improvement in profitability across our core businesses in India and international markets - UAE and Singapore.

We continue to invest in our new areas of growth - InstaHelp and Native. On a consolidated basis, net transaction value grew 36% year-on-year, excluding KSA impact, to ₹1,081 crores, and revenue from operations increased 42% year-on-year to ₹383 crore, again excluding the impact of KSA. Growth was broad-based across India Consumer Services, Native, and our international markets.

If I talk about India Consumer Services, ex of InstaHelp, NTV of this business segment grew 21% year-on-year, and adjusted EBITDA margins improved to 5.6% of NTV, up from 4.4% same time last year and sequentially up from 2.4% in Q2. This performance was driven by strong new user addition, steady revenue retention, healthy festive season-led demand in the core categories, and continued operating leverage reflecting the underlying strength of our core model. Based on the first nine months' performance, we believe that the full Financial Year 26 margins for India Consumer Services, ex of InstaHelp will be slightly ahead of FY25.

In our Native business, we continue to see strong year-on-year demand with NTV up 93% year-on-year, alongside meaningful margin improvement compared to the same time last year. International markets in UAE and Singapore also continued to perform well, delivering a 79% year-on-year growth on a like-to-like basis in NTV, and an adjusted EBITDA margin of 2% of NTV.

During this quarter, we continue to invest in InstaHelp – our high frequency household services vertical. InstaHelp scaled rapidly to 1.61 million orders in the quarter, and ₹28 crores in Net Transaction Value. Adjusted EBITDA loss for InstaHelp stood at ₹61 crores this quarter. While the absolute losses did increase quarter-on-quarter, we saw a reduction in the adjusted EBITDA loss per order from ~₹760 in Q2 to ~₹381 in Q3. With improving average order value, service partner utilization, micro market densification, we expect the loss per order to continue to reduce over time.

As a result, the consolidated adjusted EBITDA for the quarter was a loss of ₹17 crores. But if I exclude the loss in InstaHelp, the business delivered an adjusted EBITDA profit of ₹44 crores, underscoring the underlying strength and profitability in our core operations. Overall, we remain focused on scaling our core businesses in India, UAE and Singapore profitably, while continuing to invest thoughtfully in new growth opportunities like Native and InstaHelp.

With that, we open the floor to Q&A.

Moderator: Thanks Abhiraj. We will wait for a minute while the question queue assembles. Please share your questions in the Q&A tab below.

Moderator: Hi Mohit. Can you please unmute yourself and ask the question?

Mohit: Hello, am I audible?

Moderator: Yes

Mohit: Hi, thank you for the opportunity. My first question is that you've shared that the consolidated EBITDA will break even by Q3 FY28. Is there some sort of conservatism taken into this, given that India Consumer Services show strong potential for margin expansion, so is it fair to assume that this can be achieved earlier versus the timeline you have given?

Abhiraj S Bhal: Thanks for your question, Mohit. We see a very clear line of sight that India Consumer Services, ex of InstaHelp, will continue to increase its year-on-year margins as we had underscored in the previous quarterly call as well. Margins can move up and down quarter-to-quarter due to inherent seasonality, and therefore they are best assessed year-on-year, and that explanation we have given in some detail in this letter.

But certainly, FY26 we now expect to be slightly ahead of FY25, and FY27 onwards, we think that margins will continue to increase on a percentage basis and also on an absolute basis. The same will largely hold true for international. These two will be the big drivers of profitability in our business and we should expect them to continue to move profitably ahead.

Native is still an early-stage business, but it has shown margin improvement, and absolute losses have been coming down. Again, there will be some ups and downs with seasonality, but it is moving in the right direction.

The big question obviously is around Instahelp. Instahelp is early and we are not yet fully clear on the quantum of investments on a quarterly basis that will go into Instahelp. So our view is that latest by Q3 of the financial year FY28, the overall profits from the rest of the business should be sufficiently large enough to offset the losses in Instahelp. This could happen sooner, but certainly from Q3 FY28 onwards, it should happen and should happen sustainably going forward, and it should not be that in quarters ahead, there is again movement up and down. So that's the stake that we’ve put in the ground that by that quarter, the overall profits from every other business that we run will all be large enough to offset the losses in Instahelp. Not just for that quarter, but going ahead as well.

Mohit: So, Instahelp loss per order has been coming down over the last two, three quarters. Now, as you look forward to accelerated growth in this segment, fair to assume that this can further inch up now and not necessarily a trend moving downwards, fair to assume that?

Abhiraj S Bhal: The loss per order in my view has to keep coming down. The magnitude of decline might not be as sharp as it has been earlier, but it has to keep coming down for this business to sustainably eventually break even. So that's something that we are committed to. And, you know, again, there might be one or two quarters here and there where the trajectory might be lumpy. But, you know, if you look at a secular view, we are committed to seeing the loss per order coming down. Obviously, the business is growing fast and the orders are growing. And as a result, the absolute losses that this business will incur, it is still early for us to give a guidance on that. But loss per order, we are committed to making sure that we see an improvement in that number coming down.

Mohit: Sure. Thank you for that.

And last question. You know, you have mentioned in your letter that, you know, categories accounting for 30 percent of India Consumer services, NTV are already operating at 8% adjusted EBITDA.

Can you elaborate a little bit more on this? – which are these categories, and, you know, where are the others in the journey towards their, you know, higher margins expansion in the future? If you can elaborate on that.

Abhiraj S Bhal: Absolutely Mohit. So, Mohit, the aggregate business, India Consumer Services, ex of InstaHelp, had an adjusted EBITDA of 5.6%.

As you might recall in the last letter and even in this letter, we've reiterated our long term guidance that this business can reach 9-10% of NTV.

We wanted to give comfort to the investor community on how we have visibility of that, because about a third of our business, roughly 30%, is already operating at 8% in this quarter. In fact, in the first nine months.

And that gives us the confidence that, you know, the overall business as it matures, as the rest of the categories mature, you know, we have line of sight of that long term guidance that we have given of nine to 10%. We will not disclose the specific categories that constitute that 30%, but it's not just driven by one or two categories, a good host of mature categories that are operating at that mark. And then there are certain early stage categories as well, even within India consumer services.

So the basket put together is at 5.6%. We are fairly confident that year on year, it will continue to see a margin expansion and eventually get to that long term guidance of 9-10%.

Mohit: Oh, sure. Thank you for those answers. I'll get back to queue.

Abhiraj S Bhal: Thank you, Mohit.

Moderator: Deepak, can you please go next? Deepak Saha.

Deepak Saha: Yeah. Hello. Hi. Am I audible?

Abhiraj S Bhal: Yes, Deepak. We can hear you.

Deepak Saha: Okay, thanks. Thanks for the opportunity. Just on Native side, you can share some color.

If I see last year, Q3 over Q2, we had a sequential improvement on the MTV side. There's a meaningful sequential growth, and my understanding is Q3, because of festive season and all, we usually have a strong quarter.

Now, this year, Q3 is on a sequential slide. It's a bit softer, but you have alluded that in the shareholder's letter, because of early festive demand, early starting of festive demand, you have seen some, you know, order pulled forward. So is this the only reason or there's anything that you'd like to call out? Native saw softer sequential growth in Q3. Is this purely due to festive demand being pulled forward?

Abhiraj S Bhal: I think, Deepak, that's the main reason.

You know, there is seasonality in the Native business as well. Generally around monsoons, you know, people tend to get a little more worried about the quality of water they're drinking and therefore water purifiers see an upswing in that period. And then obviously festivities around Diwali and the various e-commerce sales associated with that is also a big factor. This financial year, Diwali was much earlier in the OND quarter vis-a-vis the previous financial year. And as a result, the e-commerce sales actually landed in Q2.

And even in Q2, we had mentioned that the big step jump, much of it is because of the forward pulling of demand. I think that's the main factor. Obviously, competitive intensity for water purifiers is also heating up. And that's a minor factor in our view. But the major factor is owing to the festive sales being this year falling in Q2.

Deepak Saha: Got it. And second one on the margin side is meaningful improvement, especially adjusted EBITDA for Native.

Anything you'd like to highlight? Is it like going ahead, fixed cost would be more in the range of where we are and that would lead to a break even kind of a trajectory? Or you see your take rate or anything improving meaningfully?

Because what I see in a sequential your take rate is largely flat. And, what is, where it is coming from is a meaningful improvement on the adjusted EBITDA side. So if you can share some color on the break even side and the drivers for that.

Abhiraj S Bhal: Yeah, I think Native, the focus right now, Deepak, is on scaling the business well and continuing to make year on year improvements in the margin profile.

A lot of that improvement will basically come from scale and operating leverage. In this business, there are certain fixed costs that we incur. And the benefits of scale help us cover those fixed costs. Those fixed costs are in terms of R&D, product development, people costs, marketing and brand building, etc., etc. And with scale, you know, those costs get covered. So the operating leverage is in some sense also similar to how our core consumer services business in India shapes up.

Native obviously is early in its journey. It's been only a little over two years since launch. So the focus is not to, while one of the focuses is to improve margins, I would say the immediate near-term focus is not break even. It is to continue to scale well and bring it to a certain scale. And we are confident that with scale, the business will automatically break even and over time actually generate very, very healthy margins.

We recognize that this business enjoys structural advantages vis-a-vis other brands. One of those structural advantages is that a meaningful percentage of the sales comes from our own app and our own ecosystem of service professionals, which is obviously more or less free of cost for us. Another structural advantage is that we cross-utilize our existing service professionals for water purifiers to also service Native customers. And so we don’t have to, we don't incur the cost of building and maintaining that service fleet.

So those are structural advantages, which in our view, we are confident long-term will lead to a structurally better P&L for Native. Right now, the focus is growth, and we are confident that with growth over time, the business will automatically see improving margins.

First, it will break even and over time become reasonably profitable.

Deepak Saha: In that context, Abhiraj, this tie-up, strategic tie-up with Amber, is this the reason that all the factors that you alluded, if you can share some more light, the synergies that we're trying to build with Amber? I understand this is specifically in line with, in relation to Native, right? So anything that you'd like to share on that front?

Abhiraj S Bhal: Deepak, we have so far relied upon a single contract manufacturer for the making of water purifiers in India, for the assembly of those water purifiers. And we felt that we had started to hit the scale and size, that some diversification of that back-end supply chain was helpful to reduce the risk and improve the quality of products.

And therein, we decided to also partner with Amber as a second manufacturing, contract manufacturing partner.

Deepak Saha: Got it. That's helpful.

One last question. On the InstaHelp side, we have seen a lot of fundraising and subsequently competitive intensity has also gone on the higher side, as far as marketing measurements, visibility on the street is concerned, this particular segment is really gaining traction.

So now one thing is we have our own, say, idiosyncratic features to drive margins and scale. But on the competitive side, are you seeing anything, say, which was not expected and now competitive intensity can be a bit of a headwind or, you know some other thing that you'd like to highlight? From your expectation point of view, are the, you know, dynamics with competitive intensity a little bit higher than or meaningfully higher than what we had earlier expected?

Abhiraj S Bhal: Not really. I think our eyes are focused on the customer and the service professionals.

Most of our energy goes there. We believe in the long run, you know, the company that solves for the customer and the service partner ecosystem well is the company that wins in the marketplace.

Obviously, there is competitive intensity and that's expected and it's nothing new for us, we've seen various waves and cycles of increasing and declining competitive intensity over the last 10-11 years since inception. InstaHelp is an attractive category and there will be competition and we track that competition. We learn from them.

It helps us improve. It keeps us on our toes. But fundamentally, our focus is the customer and the service professional. And right now, there is nothing out of the ordinary that we see in the market. This is pretty much on expected lines, this level of competitive intensity for a market as attractive as InstaHelp.

Deepak Saha: That's really helpful, Abhiraj. Thanks a lot. And I must say that your services on InstaHelp side are really commendable. I mean, even you know, with respect to what is available and offered by other players. I'll fall back on the queue for my rest of the questions. Thank you.

Abhiraj S Bhal: Thank you, thank you Deepak.

Moderator: Mr Tushar Behl from GladeBrook Capital, please go next.

Tushar: Hey, thanks for the opportunity. Abhiraj, a quick question from my side, on the competitive landscape. What are the different business model choices on the InstaHelp side that you are seeing, especially on supply-side engagement between your model versus the competition?

Abhiraj S Bhal: Can you just maybe elaborate a little bit better, Tushar, what do you mean by supply-side choices?

Tushar: Yeah, I mean that what is the supply-side engagement model, let's say for InstaHelps, for you guys? And how is that different from - a) the broader consumer services platform that you guys run? And how is it different from what the other competition has in that? Is it all on minimum guarantees? Is it on gig? Is it on certain target-led incentives? How does that supply-side engagement model work?

Can you explain the supply-side engagement model for InstaHelp and how it differs from competitors?

Abhiraj S Bhal: Understood. Let me talk about what we are doing at InstaHelp. So our focus is on building a very, very high-quality, reliable, trained supply pool, which is available at a very small micro-market level.

We believe this business is a micro-market, heavy and dense business. In fact, the micro-market density and micro-market sizes are even smaller than our core business. And therefore, it's a densification-first and micro-market-first business for us.

We emphasize extensively on the playbooks that we have learned over the years, which is around extensive background verification, training, making sure the right type of service professionals join the platform who have the Urban Company ethos, making sure they're well aligned to serving customers and ensuring that they have attractive earnings vis-a-vis offline opportunities or other online competitors. Our goal is to make sure that the supply pool is deeply engaged and has a long-term viable pathway to build a career at Urban Company. So those, you know, learnings that we've had over the last 10 years, we are applying here as well.

We believe that leads to a sustainable long-term category creation. I cannot comment on the supply models of other competitors, but this is our, you know, this is what we are focused on.

Beyond just earnings, we also want to create other opportunities for them to have a good life and a good livelihood.

So we also offer our standard social security benefits around life and accidental insurance free of cost, health insurance free of cost. A lot of them are women partners, so our women partner-focused initiatives like Project Nidar, etc., which focus on partners who struggle with domestic violence and so on and so forth, apply to them. Our scholarship programs under Commander Nishant Singh scholarship program applies.

So all our endeavours, in many ways, let me, let me put it this way, our supply-first thinking and our supply-forward thinking is that a lot of those learnings we've taken from our India consumer services business and applied it here. Of course, what is different is that this is a much more micro-market intensive business. The level of densification and the level of reliability that is needed is much higher. Availability times are also much lower. So those are things that we are adapting to.

Tushar: And are you seeing any degree of cannibalization happen through Instahelp on the broader consumer services platform? Or are these completely two exclusive set of opportunities to pursue?

Abhiraj S Bhal: Nothing meaningful yet.

At the end of the day, InstaHelp caters to a more high-frequency daily/ weekly cleaning and housekeeping service. And our core consumer services business, to the extent that there is some overlap, it is in deep cleaning. But those deep cleaning services are used more occasionally around festivities, around move-in, move-out occasions, around having guests over.

Or generally, when you realize that a period of time has passed through and the work that your regular house help is not doing enough and you want a deeper clean. So on the fringes, there'll be a little bit of overlap, but nothing material yet. That being said, it's still early and we are watching.
We are also not very particularly worried about cannibalization because even if it were to happen, in some sense, it's right, it’s good for the customer. It's better, you know, that we cannibalize our own business versus somebody doing it for us.

Tushar: Absolutely, yeah. Makes sense. Thanks, Abhiraj.
I'll fall back in the queue now. Thanks so much.

Moderator: Adil Khan from ICICI Prudential Life. Please go ahead.

Adil Khan (ICICI Prudential I Hey, hi, Abhiraj. Congratulations on a great set of numbers.

Abhiraj S Bhal: Thank you

Adil Khan: So my question is that if you could just share some guidance on InstaHelp, NTV growth. See, we are at a very low base right now and q-o-q growth was phenomenal.
NTV was almost 3x. So how do we see this number going ahead in the next couple of quarters and probably for FY27 as a whole, as a whole? And also, when do we expect, you know, what kind of trajectory do we expect in InstaHelp losses, in the next year?

Abhiraj S Bhal: Great questions, Adil. I think at this point in time, we are not in a position to give a firm guidance on InstaHelp growth and loss trajectory.
But what I can tell you is that we are definitely very encouraged by the traction that we are seeing in terms of customer adoption and customer retention. I think the micro markets where we are present, we are penetrating very fast. And the level of customer usage and retention that we are seeing is very, very encouraging. We also recognize that this is not at full price and the category is still some distance away from what we believe will be steady state AOV, which, as we mentioned in our letter, might be 1.8 to 2 times higher. So we have to wait and watch how customer behaviour changes as and when the pricing slowly moves up. But we've seen enough evidence in our older micro markets that, you know, even with maturing cohorts of customers, the customer activity holds up.
And that's what gives us confidence. Beyond that, right now, the focus is on making sure that we scale the category very well. We deliver high quality experiences to customers and services.
And we cement very, very clear, unequivocal market leadership for this category. That is our North Star. And that's what we are pursuing. And in that pursuit, it's hard to precisely pin down what will be the quarter on quarter growth rates, or what will be the level of loss that the business will incur.
I do want to assure you and the rest of the investor community that we are building this business with the right level of customer centricity and aggression. And we are also very, very mindful and thoughtful of the loss trajectory. We want to make sure that we are leaving no stone unturned in moving this business in the right direction that is in line with our ethos.

And therefore, the loss per order is something that in this quarter, we wanted to highlight, we are committed to seeing it come down with time.

Adil Khan: Thank you so much. That was very helpful. Just lastly, within the InstaHelp category, there might be some micro markets, you know, which might have, you know, kind of be on the matured stage. So how is loss per order in those micro markets? If you could give us a sense.

Abhiraj S Bhal: Loss per order in the mature micro markets is lower than the average for the platform. And that's what gives us the confidence that this category is moving in the right direction.

Adil Khan: Understood. Thank you so much and wish you all the best.

Abhiraj S Bhal: Thank you Adil.

Moderator: Thank you. May I request Mr. Kunal Mehta from Sunidhi Securities to go next.

Kunal Mehta: Yeah, hi, very, very good evening.

My question is, what is the strategy behind InstaHelp? I mean, because I think to the total serviceable addressable market that you've mentioned in the press, 42% is, of that is, you know, the market that InstaHelp, you know, cleaning and you know, cooking targets. So is it a way probably to kind of cross sell other things as well to bring customers to the app to book, let's say, people who can help them with their daily chores and then probably also use other services? Is that the strategy? And you know, also, how is the stickiness of the customer with respect to InstaHelp? I mean, are we seeing the customer as well and also the helpers? So are they also sticky? Are there leakages, if you can brief on that?

Abhiraj S Bhal: Right. Thank you for the question, Kunal.

Kunal, InstaHelp as a category, you rightly said is a substantial part of the overall home services TAM, total addressable market. And the category, which is, you know, largely daily house, but also, you know, cooks and other sundry services represents high frequency. It could be daily or multiple times a week, or at the minimum, you know, weekly slash biweekly.

This is in some contrast to our core services business in India, which, where the frequencies could be more monthly or quarterly in nature. So one of the underlying advantages that InstaHelp has is that it has much higher frequency. And therefore, your connect with the customer, your entry into the customer's home, and the relevance for the customer's household becomes fairly sticky and fairly relevant service.

We're also seeing a fairly high overlap in the target consumer segment for India core services and InstaHelp. So to that extent, this is actually helping us go deeper and penetrate deeper and cement our relationship with our existing customer base, and also acquire newer customers, who for whatever reason, so far, we may not have been able to acquire. We do believe over time, just given the frequency and the relationship this will create, InstaHelp customers will also cross over to other categories, and it will improve the overall lifetime value of the customer.

It's too early to call that trend out, but that is part of the strategic intent of moving aggressively behind InstaHelp. In terms of the customer stickiness and the service professional stickiness, while we're not giving specific numbers out at this stage Kunal, what I can share is that we are very encouraged by both the trends. And that's one of the reasons why we're doubling down on the category.

Kunal Mehta: Also, just wanted to know how many cities are we active in the InstaHelp segment?

Abhiraj S Bhal: We keep experimenting. There is no city where we have complete coverage. We keep experimenting and trying out in different micro markets of different cities.
But for all practical purposes, it's currently live in the major metropolitan cities, which is Delhi NCR, Mumbai, Bangalore, Hyderabad, and parts of Pune. There might be a couple of cities here and there where we are doing small pilots, but these are the major four or five cities. Even in these cities, we don't have complete coverage.
We are launching micro market by micro market and densifying those micro markets. So our first port of call will actually be to fully cover and densify these top 5-6 cities.

Kunal Mehta: Okay.
And currently, I think I see, you know, there are heavy discounts being given for 60 odd percent on the app and a lot of offers, bundled offers. So is it just to, you know, maybe capture the market, you know, then get as many customers to try this as possible?

Abhiraj S Bhal: Yes, absolutely. So basically there is, you know, discount laddering that we have created.
And as the customer matures, the level of discounting comes down and eventually the customer migrates to the full price. And that laddering, you know, plays out and we've seen it play out in our mature micro markets. The current market dynamic is that it's also competitive.
So it's also important for us to acquire consumers at a rapid pace. And hence the level of discounting is much more elevated than what we would have normally been comfortable with. But that's the primary reason to drive the discounting, which is to acquire users and then create that initial stickiness and behaviour.

Kunal Mehta: Okay. Okay. Thank you so much. I'll fall back in the queue for more questions.

Moderator: I'll call back and look to you for more questions. May I request Mr. Gaurav Rateria from Morgan Stanley to go next?

Gaurav Rateria: Hi, congrats on steady execution and thank you for the detailed shareholder letter. I have a couple of questions.
The first one is on the Core India Services ex-Insta, the contribution margin improved on a sequential basis. What would be the key drivers that helped that? And for you to hit your steady state margin that you talked about, is it going to come largely from the operating leverage or is there a scope of improvement in contribution margin as well?

Abhiraj S Bhal: Yeah. So I would say Gaurav, the major reason for this jump that you're seeing, and I would look at the jump more year-on-year rather than quarter-on-quarter, because as we mentioned in the letter as well, there is quarterly seasonality and movement in our margins.

Q1 and Q3 are typically better on the margin trajectory and Q2 and Q4, where we invest ahead of the summer seasonal uptake and Diwali season, as well as Q4 having our annual appraisals, sees typically more depressed margins. So one of the things we want to call out on this call is that margins should be seen on an annual basis. And if I compare the annual margin trajectory, 5.6% in Q3 versus 4.4% in Q3 last year, there's been a 1.2% improvement.

This improvement is something that we feel is in line with the kind of improvement we should see going forward. Some years it might be slightly more, some years it might be slightly less, but this is the kind of improvement that we are committed to delivering year after year after year, which should hopefully over time help us get to that 9% to 10% of NTV, steady state margin guidance that we have given. Majority of this will come from operating leverage.

There'll be some improvements that will also come from cost initiatives. There'll be some improvements that will come from semi-variable costs, such as customer support and partner support. As and when the benefits of AI start playing out there, contribution margins could move slightly up, but we believe the vast majority of the gains will actually come from operating leverage and growth.

Gaurav Rateria: All right. My second question is on your supplier utilization. You have given a very nice metric of number of hours.

And also when I look at the supplier growth is probably 9% YOY, whereas the underlying volume growth could have been north of 18% to 20%. Is this how the gap should continue to play out going forward as well in terms of the difference between the supplier growth, as well as the order growth or the volume growth in the platform from a utilization point of view?

Abhiraj S Bhal: We believe so. We believe that there is a lot of headroom for utilization to improve in India consumer services, ex of InstaHelp, to help.

In fact, later in the letter, we have also shown partner earnings. And there, if you see, we have also shown that the top performing partners are actually doing much, you know, between 140 to 150 or more hours per month, vis-a-vis the 91 average that we have given for 9 months FY 26. There is a lot of headroom, that headroom will not be bridged in a single year.

But every year, as we have seen for the last several years, every year, we will see some improvement in utilization, largely driven by densification. As we densify our micro markets, our service partner utilization improves, service partners, you know, have to wait less for orders, travel distances come down, and order batching and stacking improves. And that's what leads to improvement in the hours on the platform that they are able to spend.

So that I think will continue. And therefore, as a trend line, the absolute service partner count might lag the growth in the NTV and revenue. Again, there will be seasonal fluctuations and quarterly fluctuations in this. But as a trend line year on year, that trend should play out.

Gaurav Rateria: Last question is actually around the InstaHelp segment. Looking at the overall breakeven target, is it fair to say that the total investment outlay in this business, you may have increased versus what you were thinking earlier, maybe when you started, because you're getting much better traction than what you thought. And I know for competitive reasons, I don't know if you can share how much of the total outlay has been increased to or what is the exact number that one should think about? I mean, we'll be fine if whatever color we get there. And also a related data point on what's our penetration in terms of micro market? You talked about 500 microservice markets, right? So what's our penetration in terms of InstaHelp right now? And, you know, where in that journey? Can we also experiment subscription kind of a product in the InstaHelp? Do you think it makes sense? So these are a few questions around Insta. Thank you.

Abhiraj S Bhal: Short answer to that question, Gaurav, is I don't know. And it's important for us to acknowledge what we don't know. It's too early.

And as I mentioned, right now, the focus is on cementing our market leadership, penetrating micro markets well and serving customers and service professionals well. We believe we have seen enough evidence that this business at scale and at higher AOVs will get to break even levels. Those AOVs need to be much higher than where they are today, about 1.8 to 2x.

So there are some assumptions that we are making, but we believe with time as micro markets mature, densification happens, early minimum guarantee support and earning support for service professionals subsides and discounting for customers subsides as those cohorts mature. These micro markets first will move towards profitability and eventually the whole category will move towards profitability. When that will happen and how much money will go in to making that happen is something that we are still learning and is something that we are still, you know, when we have much more certainty around it, we certainly will be the first to come out and mention that; we don't have complete certainty around that.

That being said, what we do have certainty around now, which we didn't have certainty around in the last quarter - is that we have line of sight that burn per order will keep coming down. And that's a metric that we will showcase maybe for a quarter here and there, it might not see exactly a linear decline, but it should, it should come down. The other certainty we have is that the aggregate profits from the rest of our businesses put together should be able to offset the losses that InstaHelp will incur latest by Q3 FY28, which is the OND quarter of 2027.

So those are two, you know, clear certainties that we have developed as we have learned more about this business. And with time as we have a deeper understanding and we have clear a line of sight of when InstaHelp itself will break even and what will be the incremental capital outlay from that point on until it breaks even, we'll certainly come out with that clear guidance. Your second question was around, you know, the coverage that InstaHelp has vis-a-vis the core India consumer services business.

Again, you know, without getting into the specifics around how much percentage of India consumer services is covered geographically by InstaHelp, I would say it's still early. It's a limited number of cities, even within those cities. It's a limited number of micro markets and geographies.

We've obviously started with the high density micro markets and the high density, you know, customer clusters first. But over time, we will expand coverage to first all the micro markets in these cities and, you know, beyond these cities to all the places where India consumer services is present in as well. We will be calibrated in that endeavor.

Final question around, you know, today we are largely serving the replacement use case, which is that when regular house help is on leave, then people are calling InstaHelp. But can we launch a subscription or a multi-day booking offering, which could start eating into you know, rather than just addressing the backfill market, could you also become the primary provider of the service through a subscription offering? I think that is also something that we are exploring. Again, early to say whether it will work or not, but it is certainly something that we are experimenting with and exploring.

Gaurav Rateria: Thanks, Abhiraj and all the very best.

Abhiraj S Bhal: Thank you Gaurav.

Moderator: May I request Mr. Manish Addukia from Goldman Sachs to go next.

Manish Addukia: Hi, good evening. Thank you for taking my questions.

And again, thanks. Thank you so much for that detailed shareholder letter, which was very helpful. I have a couple of questions. The first one is on the margin guidance and the FY31 EBITDA number that you just called out.

So two questions on that one. First is, if we look at Q3 FY28 as break even and F31 margins at about 1000 odd crores, assuming a certain revenue growth between then and F31, let's say of 20% would imply north of 50% incremental margin between that time period and F31. So wanted to, you know, just get some sense on the building blocks of that F31 number of 1000 crores and how you arrive at that number and what are the assumptions for both, you know, the core India business and also maybe the InstaHelp business.

We just wanted to get some color around that. Thank you. That's the first question.

Abhiraj S Bhal: Yeah, great question, Manish. So Manish, currently we have assumed that almost the entire 1000 crores of adjusted EBITDA in F31 comes from our core businesses today, which is India Consumer Services, ex of InstaHelp, International and some bits from Native, because we do believe that by the Native will break even and become profitable. Those are the three major drivers.

A very, very small percentage is coming from InstaHelp, if at all, for all practical purposes in our building blocks, we can ignore that as well. So these are the three big drivers, India Consumer Services, obviously being the largest, followed by international and Native. To your second order question, which is, hey, if you're only breaking even in Q3 F28, then how do you suddenly get to 1000 crores of adjusted EBITDA by F31? The answer is, while at a consol level, we will break even in, you know, Q3 F28, the underlying profits in the core businesses, India,

international and overtime Native as well will keep growing, Manish, and they will actually get to a fairly large and healthy number even by Q3 F28.
InstaHelp losses is something that we don't have complete visibility on. But we believe at some point around that period, InstaHelp losses might peak and then start to come down. And if that assumption is to play out, then as InstaHelp losses, the growth driver of that consol adjusted EBITDA going from sort of call it 0 to 1000 is a function of already elevated adjusted EBITDA for the core businesses, continuing to compound and InstaHelp losses coming down and eventually breaking even and itself generating small profits.
There certainly is an assumption that InstaHelp will break even at the minimum by F31. And if it does, then the rest of the core businesses put together should be sizable enough to generate that kind of profitability.

Manish Addukia: Very helpful, Abhiraj.
And maybe just a follow on question on what you just mentioned about InstaHelp. I know it's a very nascent business, maybe less than 12 months old for you. So at this stage of the business and at this scale where you operate in, like you said that your assumption is F31, it should at least be break even.
Like at current, let's say, wherever you are in terms of AOVs and where you expect them to get to and the utilizations. Internally, does the math work? Like, I mean, do you have enough confidence that the math at some point in time should certainly work? Or is that still I would say, let's say, a low confidence kind of a outcome in terms of, you know, just the economics of InstaHelp over a period of time?

Abhiraj S Bhal: No, I think we have reasonable confidence that the underlying economics will work at the AOVs that we have mentioned in the letter. Not at the current AOVs, but at 1.8 to 2x AOVs with densification playing out as our micro markets densify, as AOVs get to that mature level, because customer discounting subsides as customer cohorts mature.
And one of the benefits of densification is that partner utilization improves and consequently, the earning support that you have to give to partners that also subsides. These are the three major areas where the burn is today. As that plays out, we have the confidence that the business will break even.
What we don't have the confidence of is how long that will take. How long will it take for the AOVs to get to that level? And what the competitive dynamic will look like, which is why I'm saying, you know, outer limit F31, it should break even. Again, I want to caveat, as you rightly said, less than one year old.
The reality is none of us really know what's going to happen in the future. So we can at best, looking today, draw an arc of where things are heading to. We have a high degree of confidence, let me put it that way, on both those numbers that we have put down, which is Q3 F28 break even on a consolidated basis and 1000 crores of adjusted EBITDA by FY31.
If this was to change because of anything different that we see, we'll be the first to come out and let you all know.

Manish Addukia: Thank you. Just last question on the same topic.

At this point in time, again, can we say with reasonable probability that InstaHelp will be a build rather than a build plus buy? The probability of you looking to consolidate the market in the foreseeable future would be quite low. Would that be fair to say?

Abhiraj S Bhal: Again, it's not something that, you know, we have a view on at this point in time, or something that we have even thought about or considered. Right now, we are just fully sharply focused on building organically.
We have our hands full with serving our customers and service partners. It is not even a thought that has occurred in my head.

Manish Addukia: Very clear. Just one more question for me before I jump back in the queue. I think a broader question, India Consumer Services, ex of InstaHelp, which is adding about a million users a year currently and delivering about 20% growth. I mean, the ask rate to, of course, deliver 20% growth rate would mean that you probably need to incrementally keep adding more users. Or is there room to, you know, increase spend per user meaningfully over a period of time?
I'm just trying to think that, like, do you have enough visibility that this kind of a growth can sustain over a, let's say, three to five year period? Or over time, you can still keep adding as many number of users, but mathematically, the percentage growth keeps tapering off. So, you know, just wanted to, you know, get your thoughts on that. Thank you for taking my questions.

Abhiraj S Bhal: Yeah, Manish, it's certainly our ambition. You know, we've mentioned in the letter that the market is growing at 10-11%. And, you know, as an innovative company that is, in some sense, taking this category online, we definitely aspire to grow to x of the market.
So it's certainly our internal ambition to grow at north of 20% and keep pushing that boundary. There are three or four elements that go into it. One is, of course, fundamentally, your proposition has to be better than offline and other online players - faster, cheaper, better, as we've called it. You have to deliver the services faster. Value for money is important for the Indian consumer.
And with densification, you have to continue to pass on some of the benefits of your improved cost to serve to the end consumer. And the service quality has to be better in terms of investments in training, quality, AI-led, SOP compliance, technology, etc. So that's the fundamental driver.
There are, of course, two other important drivers as well for that growth to happen. One is new user acquisition and increasing the pace of new user acquisition through, you know, both performance and brand marketing, and also increasing coverage, both service category coverage, as well as geography coverage. And the three together become the main drivers.
I think meaningful percentage of the growth will come from these three drivers. There will also be growth that will come from more spends, but it won't be as meaningful as these three drivers, in my view. Net-net, we internally definitely the ambition to grow this business at at-least 2x of what the market is growing at.

Manish Addukia: Very helpful. Thank you Abhiraj, for answering my questions and all the best.

Abhiraj S Bhal: Thank you, Manish.

Moderator: May I request Ms. Garima Mishra from Kotak Bank to ask her next question.

Garima Mishra: Thank you so much for the opportunity. My questions also start off with the InstaHelp. Abhiraj, could you provide some color on geographic nuances that you are seeing, as well as your overall market share in this particular business? Within the geographies you are present, is there any hero geography that is emerging where metrics are just that much better or the market is maturing faster than the rest of your geographies?

Abhiraj S Bhal: Yes. Garima, I, I hear where you're coming from. I think we are still two or three quarters away from having a hero geography. Of course, there are early geographies and early micro markets in Gurgaon, Bangalore and Mumbai are obviously doing well and much ahead of the curve.

But the business is still very, very early to call out a clear hero geography. Right now, all the top five, six metros that we are operational in and the micro markets there are high priorities for us. Specifically, Gurgaon and other parts of Delhi NCR, Bangalore and Mumbai, I think these are very high priority markets for us. We have to win in all of them. We don't believe we have the choice of just trying to win in one market and letting go of market share in the others. So we are heads down in execution in all of these.

Hyderabad is the fourth market, which is also priority for us. And then the fifth is Pune. So all of these markets are important.

Yes, over the next two, three quarters, I think there'll be one of these markets which will emerge as a hero market for us where the metrics, etc, are all aligning well in terms of profitability, maturity of the micro markets, our own market leadership being cemented. But we're still some distance away from that.

Garima Mishra: Sure. Noted.

You also provided this insightful table, right, which talks about the benefits of densification and how it positively impacts earnings of the service agents, right? Now, if I take the same example and apply it to InstaHelp, right? Now, InstaHelp will end up having an AOV, which is lesser than 450 rupees, right, which this table assumes, right? So for the service agent to actually make an equivalent amount of money, they either need a lot more jobs or they basically have to settle for lower earnings. I mean, how should we view this table then in the context of unit economics for the InstaHelp business?

Abhiraj S Bhal: Understood.

So that table was an indicative table, Garima, for our handyman services in Bangalore. But let me talk a little bit around how we think of InstaHelp. So in InstaHelp, we believe that AOVs need to be about 1.8 to 2x where they are today in that range, in steady state for this business to essentially break even.

How will that get accomplished in a micro market? First and foremost, we believe at that AOV level, with adequate partner utilization, we will be able to get to a healthy partner earnings per month. And that's what we are committed to delivering, which is a healthy partner earnings per month. So partners will be able to do an adequate number of jobs every month and every single day with densification to get to their overall earnings target.

And as a result, one of the big spend areas for us in InstaHelp is bridging that gap with earning support. That earning support will keep coming down and keep minimizing. And the burn because of that earning support will keep coming down.

Now, this is not complete rocket science. If you look at your own behavior or that of your friends, etc., then you know a typical order in InstaHelp category where you're calling for a house help worker might be one to two hours, averaging about one and a half hours or so. So an InstaHelp worker, if well utilized, can comfortably do between three to five orders in a day.

And consequently, if you remove Urban Company commissions from that AOV that we've indicated, you can arrive at the mathematical number of what an InstaHelp worker would make comfortably in a day if he or she was well utilized without earning support. And if they were to do that for 20 to 25 days of a month, what would be the earnings they would be able to reach? So that's sort of in our head the mental place that that earning support has to get to. The second is obviously customer discounting, which is why the AOVs are lower than that target.

That customer discounting, you know, subsides as customers spend more time on the platform. The first one or two orders, three orders is the highest. Orders, you know, four to six, it reduces and so on and so forth.

And eventually, as the customer cohort matures, the discounting gets removed and customers come to full price. Those are the two big areas, I would say, where much of the burn today is going. Of course, there's also a lot of, you know, a third area is today the level of acquisition on the supply side and the customer side that we're doing is elevated.

And that will also, you know, sort of subside vis-a-vis as a percentage of the total top line of the category. And all of those basically will come together in our view to help this category break even.

Garima Mishra: Very clear. Thanks for that. Just to confirm, when you say 1.8-2.0 times the order value, you are referring to the net order value of 172 rupees of 3Q, right?

Abhiraj S Bhal: Correct. Correct.

So we don't think the GOV will necessarily, or the GTV will necessarily...

Garima Mishra: Change, yeah.

Abhiraj S Bhal: Yeah. So that's where it has to get in some sense.

Garima Mishra: Yeah. That discounts per order line has to shrink meaningfully, basically.

Abhiraj S Bhal: Yes. It may not go to zero, but it has to, you know, 80-90% of it has to go away.

Garima Mishra: Understood. Very clear.

Last question. So on account of social security, you've made these provisions during the quarter. I presume these are towards your permanent and contractual employees.

So are these strictly one-time in nature? Also, any sense on what incremental payouts you may need to make to gig workers as and when rules are framed?

Abhay Mathur: Hi Garima, this is Abhay.

So on your first question, you know, some of the amounts are actually one-time in nature because we had to take into account the new definition of wages as well as look at, you know, leave encashment balances for employees and contract workers specifically.

So they're largely one-time. On the gig workers, while, you know, the government has announced intent, the method of computation and the rate of contribution is still unclear. So, you know, we're still waiting to understand those exact details.

As we mentioned in the letter, we anyway incurred certain costs today on insurance and other well-being measures for the partners. So those are already in the P&L. But once the details are announced, we'll be able to comment further.

Garima Mishra: Got it. Thank you so much for taking my questions.

Moderator: Hi, all. We will be extending the call to accommodate a few more questions. May I request Mr. Sachin Dixit from JM Financial to ask his question?

Sachin Dixit: Hi, Abhiraj and team, and congratulations on a great set of results. My first question to start with is on international, right, where we have seen a very decent growth trajectory picking up at almost like 40-45% Y-o-Y sort of growth.

This growth, if you can break down, I know you have mentioned to some extent in the shareholder letter as well, but can you break down what is driving this growth? Is it more customer acquisition or people using more frequently? And how sustainable is it? Like, how do you expect it to taper down over a period of time?

Abhiraj S Bhal: Thanks, Sachin, for the question. You're absolutely right. Our international market has seen very, very strong growth, not just in this quarter, for the last few quarters.

In fact, you know, last year in the base, we had Saudi Arabia. And as you might be aware, from the 1st of January, we've entered into a 50-50 JV in the Kingdom of Saudi Arabia. And therefore, we no longer recognize the revenues. We only recognize our share of losses. And if I remove the impact of that and look at like-to-like growth, like-to-like growth in this quarter has been about 79%. So very healthy.

I think, to put it most simply, these markets, UAE, where we are present in Dubai, Abu Dhabi, and Sharjah, as well as Singapore, represent, in some sense, markets that are very, very similar to India in terms of, you know, customer behavior, density of customers, you know, migration of customers living in apartment condos, etc., and supply-side dynamics. And there are also markets where there is a strong do-it-for-me culture versus do-it-yourself culture. So customers are happy to get services available, whether it's home cleaning, or beauty, or massages, or other types of services, AC repair, etc.

So there is inherent similarity in the market structure in terms of, you know, high migration index, you know, high density with which customers reside, and those

favor our business model, and also similarities in customer behavior. We were early in these markets. We've been in the UAE for more than seven years, and in Singapore for more than six years now.
we've been hard at work, and we've been investing in these markets, and I think some of the fruits of that investment we're beginning to see right now. In many ways, I see these markets as sort of, in terms of just customer behavior, a little ahead of India. And therefore, a lot of learnings that we have from these markets will also plow back into our India business.
So we are very excited by these markets. It's unclear whether the growth will remain at such elevated levels or not, but, you know, we certainly believe that there is strong long-term headroom for growth in both these markets. And given the profitability profile, both markets should now grow profitably and continue to compound profitably going forward.

Sachin Dixit: Got it. On the InstaHelp side of, I know a lot of questions have already been asked. Quickly, if you can provide any color on any sort of cross-pollination that you are seeing from the existing core services business, or as well as on some ordering frequency metrics, right, so even if you can't give it right now because the business is nascent, if any view you have where the steady state sort of ordering frequency might pan out on maybe an annual basis or a monthly basis?

Abhiraj S Bhal: Yeah, so Sachin, on the first question of, you know, cross-pollination, either of InstaHelp users into India core consumer services or vice versa, we're definitely seeing that happen.
I would not like to call out a particular percentage or number or trend line there, but we're definitely seeing it happen, and it is encouraging enough for us to continue to invest behind InstaHelp. To your second question on ordering frequency and usage, InstaHelp's ordering frequency is definitely an order of magnitude better than the India consumer services business. Of course, the AOVs are an order of magnitude lower.
It's hard to tell where steady state frequency will settle because we are right now largely catering to the backfill market, which creates between, you know, two to four instances in a month, but if and when the model works in the more primary market, which is still very unclear, that ordering frequency could also go up. So it's still very early days, still hard for us to tell, and there's also a lot of competitive intensity. So, you know, some of those orders are also going to our competitors.

Sachin Dixit: Just one final question on the core India services side, right? So if I simply subtract contribution profit, so basically I subtract EBITDA from contribution profit, it looks like fixed costs have actually dipped Q-o-Q. I do understand that you mentioned some seasonality, but the dip is quite sharp at almost like 12% odd on a quarterly basis, right? What is driving this fixed cost? Or, I mean, if I am looking from a base case scenario and building forecast, what number should I be using?

Abhiraj S Bhal: Yeah, Abhay you want to take?

Abhay Mathur: Sure, Sachin. So there is a bit of a dip in the fixed cost, but I would attribute it more to the operating rhythm of the business and seasonality.

If you see, you know, Table 4B, where we disclose the P&L for the India consumer services business, you will see a dip in the marketing expenses from 25 crores to 13 crores, you know, between contribution profit and adjusted EBITDA. I think this is just quarter and quarter variation, because if we took the two quarters together, we still invested more. So largely, the sequential change is just the operating rhythm of the business.

Abhiraj S Bhal: And this is one of the reasons why, Sachin, we have underscored multiple times that this business is best evaluated, in fact, our entire business is best evaluated from a margin standpoint year-on-year versus quarter-on-quarter, because there is a lot of fluctuations in, you know, the investment across quarters.

Sachin Dixit: Understood, And Y-o-Y your marketing expenses should be rising slightly in core business as well, or you see that those will more or less be flat?

Abhiraj S Bhal: They have risen, Sachin. So if you see...

Sachin Dixit: No, going ahead, sorry, I mentioned, forgot to mention it.

Abhiraj S Bhal: Yes, I mean, I think, you know, they will continue to see some increase, because we also are committed to investing behind this business and adding more new users, expanding coverage, etc. The endeavor, obviously, is that they don't grow in line with top line. And that's how the operating leverage plays out.

Sachin Dixit: Sounds good. Thank you, and all the best.

Abhiraj S Bhal: Thank you Sachin.

Moderator: May I request Mr. Srinath V from Bellwether Capital to ask his question?

Abhiraj S Bhal: Srinath, I think you're on mute. If you can unmute yourself?

Srinath V: Yeah. Hi, am I audible, Abhiraj?

Abhiraj S Bhal: Yes, Srinath. How are you?

Srinath V: Yeah. If the Insta help category scales in line with what Quick Commerce has done, with like over 2 crore plus users today using that service. Would we need to, you know, start looking at stepping up our acquisition funnel or, you know, customer acquisition pipeline, given that, you know, this service could be an interesting service for onboarding customers for the first time into the app? So just wanted to kind of get your thoughts on that, and as well as, you know, more services getting into the instant mode outside of just Insta help. So these were the two areas, if you could share some insight, that'll be great.

Abhiraj S Bhal: Yeah, Srinath, we do believe that it's still very early days for the Insta help category and business. We think and we are hopeful that it will become a very, very large business going forward. And obviously, you know, we do look up to how well the Quick Commerce giants have scaled up.

And I think we're definitely committed to building this business to its full potential. And be rest assured we will not leave any stone unturned. We will make rational, deliberate and logical choices of investment.

And based on everything that we see, we will keep coming out with added disclosures to help investors like yourself understand why we are making those choices, and why we believe it's in the right long term interest of our shareholders. We will not shy back from investing in this category. And when we see that the potential is very meaningful, and in fact, that's been the track record as well, so far.

Right now, from where we are, we definitely think this is an extremely exciting business that is getting built, and can become very large, and can recruit a lot of new users at scale to the platform. To that extent, our acquisition funnels, our modus operandi of acquiring users, all of those will have to adapt to the opportunity ahead. So that's the first part.

Sorry, can you come back with your second question? What was your second question? Instant services?

Srinath V: Yeah, in the app that I see from where I am, a couple of more services have started showing up in this tab next to the main tab as instant. I wanted to, you know, understand how you're thinking through that broadly.

Abhiraj S Bhal: Yeah, so beyond InstaHelp, for our core India consumer services business, wherever applicable, we want to move all of those services to become relatively instantaneous as well.

They may not all be available in 10 minutes or 15 minutes, but certainly, our endeavor is within the hour and within half an hour, and so on and so forth. So whether it's beauty services, whether it's electricians, plumbers, carpenters, AC repair, bathroom cleaning, etc., all of those services, we are pushing hard to make them more and more instantaneous. These will also follow first in high density micro markets, those will, you know, those are the ones that are moving towards becoming more instantaneous and over time across geographies.

And densification is a fundamental driver of moving our core India services business also towards a more instantaneous service delivery model. But we're definitely committed to doing that. And a lot of good learnings from InstaHelp are getting plowed in to our core business to help it accelerate on its trajectory to becoming more instantaneous.

Srinath V: Cool. Perfect. Thanks. Very insightful. I'll get back into the question queue.

Abhiraj S Bhal: Thank you, Srinath.

Moderator: May I request Mr. Devanshu Sampath from Quantum Advisors to ask his next question?

Devanshu Sampath: Hi, good evening. Can you hear me?

Abhiraj S Bhal: Yes, Devanshu. Please go ahead.

Devanshu Sampath: So I have a few questions. So you just mentioned this right now. Actually, that was a question that I had.

So sometime back, you answered that, one of the factors that will lead us to growing at a healthy pace will be the requirement to basically service orders faster, right? So quicker, more instant unplanned kind of services that you'll have to basically cater to. So will that require meaningful investments as well, something similar to how you've been doing it for InstaHelp? Or is this an effort right now just to sort of improve the utilization levels of the current service providers?

Abhiraj S Bhal: Yeah, Devanshu, that's a great question. Our business model in India core services already operates at scale and at certain density in micro markets.

And we don't think incremental investment as such is needed to move that towards instantaneous behavior. In fact, on the contrary, as we flip micro markets, quote unquote, towards becoming more instantaneous in nature, partner utilization actually improves. And, the business, those micro markets tend to become more profitable.

So it's a win-win for all of us, for the customer, because they're getting the orders faster, for the service professionals, because stacking of orders is better, cancellation rates are fewer and utilization is better, and therefore their earnings are better. And obviously for us, because that micro market is more profitable for us. It's more a function of just scale.

In InstaHelp, we are significantly accelerating the journey from zero to that densification scale in micro markets.

In our core services business, we already have a great starting point and we are not artificially doing anything out of the ordinary to make that last leap. We are organically pushing micro markets over as and when they get to that level to become more instantaneous on the margin, wherever we can accelerate faster, we're doing it, but nothing that sort of breaks the bank.

Devanshu Sampath: Sure. Sure. That's very clear.

The second question I have was just around a table that was there in your DRHP. So there were two tables that you had shared regarding the cohort data, right? So the one I'm talking about is the customer retention basis NTV. Can you please explain what's the reason for, you know, the smile graph basically forming? It seems to be a little bit more pronounced after COVID.

So can you just explain why this happens and why was it different prior to COVID?

Abhiraj S Bhal: Yeah, I think the smile graph largely happens on account of, you know, customers, A, getting retained well in the same category and over time, also trying out newer categories as they get confidence and trust on the platform. And consequently, customer retention across categories and lifetime value increases. In fact, that table, which we had published in the DRHP and the RHP did not have the impact of InstaHelp or Native.

And as we overlay the impact of those two categories, we believe the lifetime value will only improve further. To your second point on why was the smile up more pronounced post COVID. In fact, the opposite, it was less pronounced after

COVID. It was much better prior to COVID. And that's because the cohorts prior to COVID were much smaller scale. And therefore, you know, early adopters are always more forgiving of the platform.
And as cohorts get to a certain scale and maturity, the kind of, smile up that they do relative to early adopter cohorts is never the same. But on an absolute level, they were still very healthy. COVID definitely gave us that fillip, where the absolute scale of customer acquisition moved to a different orbit.

Devanshu Sampath: Sure. And the last question I have is regarding the, you know, the purifier filters. So how do you bifurcate them between the two businesses, you know, and with Native now here? So you know, will you be looking to segregate it in the same way? Or will it be how will you change it going forward?

Abhay Mathur: Hi, this is Abhay, I'll try and answer that question.
So I mean, the filters which are used to replace, you know, the two year old filters within the Native purifier, those are reported under the Native segment. We have also shifted filters sold for other, other purifier machines under the Native brand to Native services. So all filters today are reported under the Native segment.

Abhiraj S Bhal: Basically, Devanshu, any branded filters that we sell on our platform are also Native brand only. So all of them get reported under the Native segment.

Devanshu Sampath: Sure. So this is not something that has happened in the last quarter or so, right? It's been, it's been the case since you've been reporting.

Abhiraj S Bhal: Yeah.

Devanshu Sampath: Okay. Sure. Okay. Thank you. Wishing you all the very best.

Abhiraj S Bhal: Thank you Devanshu.

Moderator: May I request Mr. Darshil Javeri from Crown Capital to ask his question.

Darshil Javeri: Hello.
Good evening. And thank you so much for taking my question. A lot of my questions have already been answered.
So just one question regarding, you know, you know, when we are saying that, you know, you want to have an EBITDA of like 1000 crores by like FY31, how will the trajectory be? Will it be more linear or non-linear in nature? Like will we see, you know, quarterly improvements happening or, you know, like how will like FY26, you're saying better than FY25, but FY27 will be more substantially better. How would the, you know, graph look like if you could, you know, if we have some kind of, you know, projections for that?

Abhiraj S Bhal: Darshil, great question. Thank you for asking that question.
Let me break down that number into its components and talk about. So the majority of the FY31 projected 1000 crores adjusted EBITDA will come from India Consumer Services, ex of InstaHelp, which is our largest, most mature core business. This business will see steady improvement in its adjusted EBITDA year on year.

Even this business will see ups and downs on a quarterly basis. But when we look at its margin percentage and absolute adjusted EBITDA year after year, we should see a steady improvement. I would not call it less than linear, it'll be faster than top line growth, but it'll be steady and will steadily march higher and higher every year, starting FY27 onwards. FY26 in the previous earnings call, we had said will be flat over FY25, but we've seen slightly better performance than we had expected. And therefore, we've upgraded to saying FY26 will also be marginally ahead of FY25.

FY27 onwards, we should see sustained adjusted EBITDA margin improvement in India Consumer Services, ex of Insta. That's where we have maximum certainty. It's also the biggest driver and contributor to that 1000 crores.

Second place where we have high certainty now is in our international business in UAE and Singapore. We've been a bit conservative in the projections there, because their business is still early. But we believe that business is also broken even sustainably.

And now, it'll continue on that margin expansion year on year, probably one and a half to two years behind India in its margin maturity. Those are the two areas where we have maximum certainty. And those are the biggest drivers of that profitability.

Almost all the profits of that 1000 crores come from these two. The remainder will come from Native. We have much less certainty in Native because we are much more earlier in the business.

And therefore, how soon will Native break even and what will be the total quantum it will contribute for that 1000 crores is unclear to us. But we do believe in the foreseeable future Native will break even and it will meaningfully contribute to that 1000 crores adjusted EBITDA. The last business where we have very little certainty is InstaHelp.

It's less than a year old. This is where there'll be, you know, maximum lumpiness, etc. And it will be a drag oidin the overall profitability of the consolidated business for the foreseeable future until it breaks even.

This is one of the reasons why we've said that Q3 FY28 is the latest by when business should break even because we believe by then regardless of the level of investment we're making in InstaHelp, we have the confidence as management that the rest of the businesses put together will be able to generate sufficient adjusted EBITDA to offset the losses in InstaHelp. I saw there was one of the questions in, you know, from some of the panelists particularly asking, you know, by that timeline. So that, that's the point I wanted to underscore.

Darshil Javeri: Okay, fair, fair enough. And just another question, like in terms of a user base. So like when InstaHelp, are we, you know, seeing the traction from the users who are already using Urban Company or is it like these are new set of users that, you know, we are, you know, getting on board to our services.

The reason I'm asking is I just want to understand is the cross-sell already happening or are we creating a new category where we can cross-sell further?

Abhiraj S Bhal: Yeah, Darshil, it's both. Short answer is it's both.

Darshil Javeri: Oh, okay. Fair enough. Yeah, that's it from my side. So thank you.

Abhiraj S Bhal: Thank you, Darshil.

Moderator: Thank you everyone for joining in. We will now conclude this conference call and you may now disconnect your lines.

Abhiraj S Bhal: Thank you everyone. Have a good day.