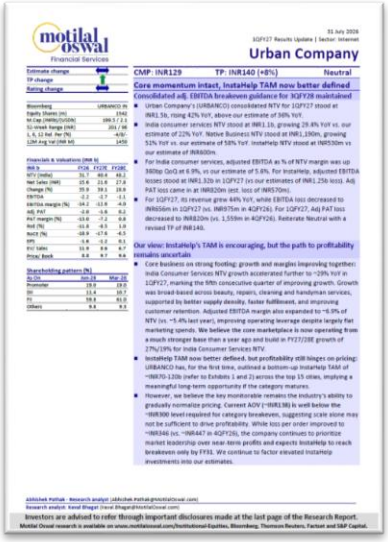
Internet


Urban Company

CMP: INR129 TP: INR140 (+8%) Neutral

Core momentum intact, InstaHelp TAM now better defined

Consolidated adj. EBITDA breakeven guidance for 3QFY28 maintained

Instant, multi-category home services: Sizing the opportunity

India's high-frequency home operating services market represents a large and significantly under-digitized consumer opportunity. This note examines five key themes shaping the category's growth: 1) expansion of the addressable market beyond traditional house help services, 2) structural advantages of the business model compared with other consumer internet businesses, 3) city-level execution and micro-market density, 4) the path to profitability and the competitive landscape, and 5) the long-term opportunity to build a multi-category, high-frequency home services platform. **To better understand the space, we met with Snabbit CEO Aayush Agarwal; key insights from this discussion are incorporated in this note.**

The broader thesis suggests that high-frequency home operating services remain one of India's largest yet least-digitized consumer categories, with digital penetration below 2% among urban households in Metro and Tier-1 cities. Over the next five years, Snabbit expects urbanization, rising per-capita GDP, and higher discretionary incomes to drive category expansion. **Across house help, home cooks, salon-at-home, and other household services, Snabbit believes it can build an ARR of approximately USD6b over this period.** In the immediate term, however, the company remains focused on improving unit economics and deepening density within existing cities rather than pursuing aggressive geographic expansion.

Our estimates peg the total high frequency (house help) serviceable addressable market at ~USD3.7b (refer to Exhibit 1). This estimate captures two primary use cases: a) ad-hoc support when a household's regular help is unavailable, and b) households transitioning entirely from conventional house-help arrangements to an on-demand model.

The opportunity is larger if adjacencies play out; house help replacement and displacement opportunity could be USD3.7b

- **The company believes house help, cooks, salon-at-home, elderly care, and other adjacencies unlock a much larger digital services opportunity (USD9-10b).**
- It could be slightly early to estimate the adjacent demand vectors, but our estimates suggest house help demand alone could be USD3.7b. As shown in Exhibit 1, we present base, bull, and bear case scenarios for house-help adoption in India, taking into account both the potential household replacement demand as well as ad-hoc leave replacement demand that is currently playing out in key micro markets.
- Snabbit is being built across multiple high-frequency home operating services, with house help currently the largest category. Over time, Snabbit intends to expand into **home cooks, salon-at-home, drivers, childcare, elderly care, and other household services**, materially increasing customer frequency.
- Salon-at-home is being approached differently by **unbundling low-AOV, high-frequency beauty services**, particularly functional and repetitive needs such as

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threading and waxing, and making them available instantly. The uptake of such adjacent services should drive higher frequency for both the industry as well as Snabbit.

- The current focus remains on the top metro cities where customer density supports faster marketplace development. Over the longer term, the company estimates that the **top 50 cities could support 1,500+ micro-markets**, with a mature network eventually scaling to **~1,500 daily jobs per micro-market** from house-help services alone. This potential is already visible across several of Snabbit's mature micro-markets, which have reached these volumes within 12–18 months and continue to grow. We believe Tier-2 adoption could follow a similar trajectory to food delivery, ride-hailing, and quick commerce, as consumer trust in on-demand home services improves.

Competition intensifying between players

- **Snabbit and Urban Company are neck and neck:** Snabbit has crossed 115k daily jobs, with ARR growing from USD9m in Dec'25 to a projected triple-digit figure by Mar'27. Industry data also suggests Snabbit processed ~1.51m monthly orders during June, at par with Urban Company's InstaHelp (~1.50m), with these numbers rising to ~1.85m monthly orders for Snabbit and ~1.9m for Urban Company in July.
- **Execution continues to be driven by micro-market density rather than rapid city expansion:** Mumbai remains the largest market, followed by NCR, while Bengaluru is the third-largest geography for Snabbit.
- The strategy continues to prioritize increasing density within existing clusters instead of entering several new cities simultaneously. We believe this approach should improve supply availability, customer experience, and marketplace utilization before broader geographic expansion.
- The company is live across **~200 micro-markets** in the top five cities, nearly half of which were launched over the last four months. We believe marketplace density is likely to become an increasingly important differentiator in the category, as higher local liquidity can improve service availability and customer experience while allowing the platform to build deeper supply pools within individual markets.

Unit economics: Currently burning INR250/order; path to positive CM over the medium term

- Unlike e-commerce and quick commerce, the business does not require inventory, warehousing, or asset-heavy infrastructure, resulting in a structurally leaner cost base. The model also avoids significant capital and operating costs associated with owned vehicles, fuel, and fleet maintenance typically involved in mobility businesses.
- In the last quarter, Snabbit recorded an EBITDA loss of INR250/order (vs INR350/order for Urban Company). However, it **is** too early to draw definitive comparisons, as cash burn and steady-state economics could evolve materially as the category matures **(refer to Exhibit 2).**
- **Key drivers of improving unit economics: Higher utilization levels, higher AOV, and winning more micro-markets.**

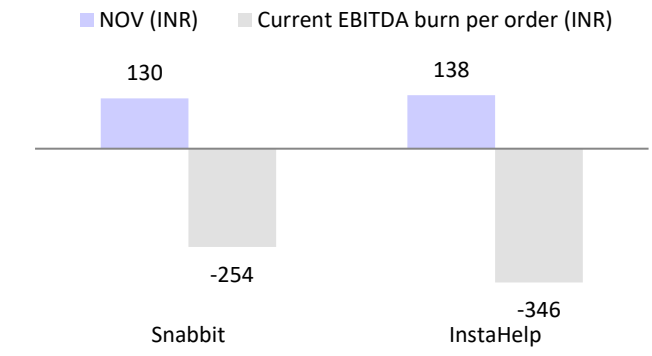
- Over the long term, Mr. Agarwal believes that the business can sustain **EBITDA margins of 8-10% (similar to the home services market)**, driven primarily by higher net order value and higher expert utilization through marketplace efficiency, rather than relying solely on fixed-cost operating leverage.
- We believe the home services category (including instant help) has structurally higher margins vs other consumer internet businesses such as food delivery and quick commerce. That said, irrational competition can keep margins suppressed for longer.

Exhibit 1: MOFSL estimates for the instant house help category

ASSUMPTION	BEAR CASE	BASE CASE	BULL CASE
BUCKET 1 — REGULAR HELP UNAVAILABLE (Top 40 cities)			
Target households (mn)	40 mn	40 mn	40 mn
Househelp leave days / year	35 days	40 days	45 days
Hours per replacement visit	1.2 hrs	1.5 hrs	1.5 hrs
Steady-state AOV (₹/hr)	₹150/hr	₹200/hr	₹200/hr
% HHs in serviceable micro-mkts	30.0%	35.0%	45.0%
Annual spend / household (₹)	**₹6,300**	**₹12,000**	**₹13,500**
Total TAM (₹ bn)	**252.0 ₹bn**	**480.0 ₹bn**	**540.0 ₹bn**
Total TAM ($ bn)	**2.7 $bn**	**5.1 $bn**	**5.7 $bn**
Serviceable TAM / SAM (₹ bn)	**75.6 ₹bn**	**168.0 ₹bn**	**243.0 ₹bn**
SAM ($ bn)	**0.80 $bn**	**1.8 $bn**	**2.6 $bn**
BUCKET 2 — COMPLETE HOUSEHELP REPLACEMENT (Top 40 cities)			
Target households (mn)	40 mn	40 mn	40 mn
On-demand househelp visits / week	1.5 x/wk	2.0 x/wk	2.5 x/wk
Hours per visit	1.2 hrs	1.5 hrs	1.5 hrs
Steady-state AOV (₹/hr)	₹150/hr	₹200/hr	₹200/hr
Conversion rate (switch from househelp)	10.0%	15.0%	20.0%
Annual spend / household (₹)	**₹14,040**	**₹31,200**	**₹39,000**
Total TAM (₹ bn)	**561.6 ₹bn**	**1,248.0 ₹bn**	**1,560.0 ₹bn**
Total TAM ($ bn)	**5.9 $bn**	**13.1 $bn**	**16.4 $bn**
Serviceable TAM / SAM (₹ bn)	**56.2 ₹bn**	**187.2 ₹bn**	**312.0 ₹bn**
Conversion-adj. SAM ($ bn)	**0.6 $bn**	**2.0 $bn**	**3.3 $bn**
Total SAM (USD bn)	**1.4 $bn**	**3.7 $bn**	**5.8 $bn**

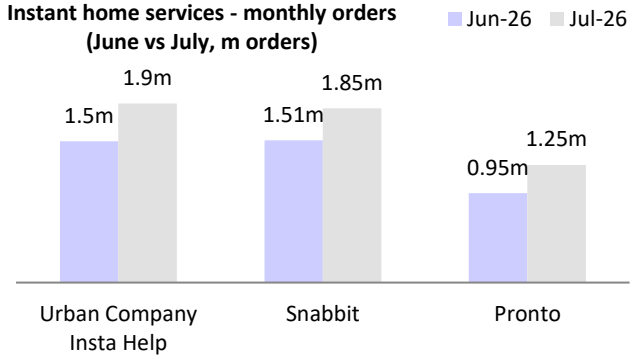
Source: MOFSL

Exhibit 2: Too early to compare cash burn across players; steady-state economics could vary materially from current levels



Source: Company, MOFSL

Exhibit 3: Top two players appear to be neck and neck in terms of monthly order volumes



Source: Industry, MOFSL

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