

PhysicsWallah Ltd.

'SUBSCRIBE'

11-11-2025 TO 13-11-2025

Industry: EdTech

Price Band: ₹103 to ₹109

Recommendation: Subscribe for long term

Post Implied Market Cap: ₹29,963 Cr – ₹31,527 Cr

Key Data

Issue Size (₹ Cr)	₹3,480.00
Fresh (₹ Cr)	₹3,100.00
OFS (₹ Cr)	₹380.00
No of shares offered (total issue)	31,92,66,054
Face Value (₹ /share)	1
Bid Lot	137 Shares

Indicative Timetable

IPO Open Date	Tue, Nov 11, 2025
IPO Close Date	Thu, Nov 13, 2025
Tentative Allotment	Fri, Nov 14, 2025
Initiation of Refunds	Mon, Nov 17, 2025
Credit of Shares to Demat	Mon, Nov 17, 2025
Tentative Listing Date	Tue, Nov 18, 2025
Cut-off time for UPI mandate confirmation	5 PM on Thu, Nov 13, 2025

Shareholding (No. of shares)

Pre-Issue	2,60,79,56,938
Post-Issue	2,89,23,60,607

Issue Breakup

QIB	75%
NII	15%
Retail	10%

Shareholding Pattern

	Promoter	Public
Pre-Issue	80.62%	19.38%
Post-Issue	71.48%	28.52%

Other Details

BRLMs: Kotak Mahindra Capital Company Limited, J.P. Morgan India Private Limited, Goldman Sachs (India) Securities Private Limited, Axis Capital Limited

Registrar: MUFG Intime India Private Limited (formerly Link Intime India Private Limited)

Listing: BSE & NSE

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About the company

Physics Wallah (PW) is a leading Indian educational technology (EdTech) company, founded by Alakh Pandey and Prateek Maheshwari, that started as a YouTube channel and grew into a vast hybrid platform offering highly affordable and quality education across India. Its core mission is to democratize education by providing comprehensive online, offline, and hybrid courses for a wide range of academic needs. Known for its engaging teaching style and significantly lower price points compared to traditional coaching, PW has successfully scaled to become a vital learning partner for millions of students.

Investment Rationales

Disruptive Hybrid Model: Successfully blends a massive, low-cost online student base with high-ARPU offline centres (Vidyapeeth), creating a highly capital-efficient and scalable ecosystem.

Hyper-Growth at Scale: Demonstrated an exceptional 97% CAGR in operating revenue from FY23 to FY25, showcasing rapid and deep penetration across India's test-prep market.

Positive Operational Turnaround: Achieved a crucial pivot to Positive EBITDA in FY25, distinguishing it from many EdTech peers and proving the efficiency of its low-Customer Acquisition Cost (CAC) model.

Strategic Diversification: Utilizing strong brand equity to aggressively expand into high-value adjacent segments like Government Exams, Skilling, and Higher Education via strategic acquisitions.

Founder Alignment: High founder retention and an IPO structure heavily weighted towards a Fresh Issue (funds for the company) indicate strong confidence and a focus on long-term growth and expansion.

Risk

Subsidiaries Xylem, Knowledge planet and Utkarsh classes are yet to turn profitable.

% Number of unique transacting users (online channel) has declined in FY25 in NEET, JEE and other government exams.

Our views

Physics Wallah (PW) has demonstrated exceptional growth, with operating revenue surging at a nearly 97% CAGR from FY23 to FY25. Crucially, PW has achieved a significant pivot to positive EBITDA in FY25, a rarity among major EdTech players, driven by its community-led approach and exceptionally low customer acquisition cost (CAC).

The IPO proceeds will be used for further strengthening this advantage, with planned investment for the aggressive expansion of its Hybrid Vidyapeeth centres and significant capital allocation towards its scalable AI and cloud infrastructure. This strategy is designed to cement its market leadership in core segments (JEE, NEET) and accelerate diversification into high-value adjacent markets like skilling and government exam preparation.

While risks such as operational complexity from rapid offline expansion and dependence on the founder's personal brand exist, PW's established brand trust, low-cost structure, and key role in making education accessible across Tier-2 and Tier-3 cities provide a solid foundation. We recommend a 'SUBSCRIBE' rating for investors seeking exposure to a high-growth, market-leading platform in the Indian education sector.

CONSOLIDATED FINANCIALS – BASIC FINANCIAL DETAILS

Financial Performance Indicators	Unit	Fiscal 2023	Fiscal 2024	Fiscal 2025
Revenue from operations	₹ in Cr.	744.32	1940.71	2886.64
Revenue from operations (Online Channel)	₹ in Cr.	455.77	965.02	1404.05
Revenue from operations (Offline Channel)	₹ in Cr.	281.12	927.91	1351.87
Revenue from operations (Others)	₹ in Cr.	7.43	47.79	130.72
Other income	₹ in Cr.	28.23	74.64	152.45
Total income	₹ in Cr.	772.54	2015.35	3039.09
Loss before tax	₹ in Cr.	-89.45	-1192.69	-258.55
Loss for the period/year	₹ in Cr.	-84.08	-1131.13	-243.26
Loss margin for the period/year	%	-11.30%	-58.28%	-8.43%
EBITDA	₹ in Cr.	13.86	-829.35	193.20
EBITDA Margin	%	1.86%	-42.73%	6.69%
Adjusted EBITDA	₹ in Cr.	119.32	66.99	431.96
Adjusted Margin	%	16.03%	3.45%	14.96%
Operating Performance Indicators	Unit	Fiscal 2023	Fiscal 2024	Fiscal 2025
Total Employees	number	7253	12956	15775
Total Faculty Members	number	2436	3654	5096
Faculty (Employees)	number	2292	2850	4207
Faculty (Consultants)	number	144	804	889
Education Categories	number	6	13	13
Total Paid Users	number in cr	0.18	0.36	0.45
Unique Transacting Users (Online channel)	number in cr	0.17	0.34	0.41
Avg. Collection Per User (Online Channel)	₹	3106.81	3141.51	3682.79
Student Enrollments (Offline)	number in cr	0.01	0.02	0.03
Average Revenue Per User (Offline Channel)	₹	34467.15	39597.24	40404.56
Total Centers	number	28	126	198
PW Vidyapeeth centers	number	7	47	79
PW Pathshala centers	number	21	20	47
PW Other Centers	number	-	7	19
Total Subsidiaries	number	-	52	53

Source: Company RHP

There are no listed companies in India or abroad whose business portfolio is comparable with that of PhysicsWallah Ltd's business and comparable to the Company's scale of operations.

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