

India

IPO Details

Issue Opens	11/11/2025
Issue Closes	13/11/2025
Total Issue Size (Rsm)	34,800
OFS (Rsm)	3,800
Price Band (Rs)	103-109
Face Value (Rs)	1
Implied Market Cap (Rsm) (Lower band)	2,96,248
Implied Market Cap (Rsm) (Upper band)	3,11,699

Physics Wallah

Leading economies of scale in edtech sector

- Huge organic top funnel (YT ~98.8m subscribers), community-driven organic reach (marketing cost ~10% of rev) converting trust into big enrolment moat.
- JEE at ~Rs4,500 vs. peers' ~Rs80k; NEET at ~Rs4,800 vs. peers' ~Rs67k, turns affordability into scale - not a discount strategy but structural advantage.
- High topline growth of 48.7% YoY to Rs19,407m, driven by scale rather than price hike. Substantial offline expansion, 303 centres in FY25 (28 in FY23).

Leadership in unit economies of online education

Physics Wallah (PW) sells its flagship online JEE/NEET courses at a fraction of what its competitors charge (JEE ~Rs4,500 vs. peers' Rs75–80k; NEET ~Rs4,800 vs. peers' Rs63–67k), a deliberate low-price, high-reach play. That pricing only works if volume and low acquisition costs back it up, and here PW's unit metrics are instructive - PW reported 4.13m unique transacting online users, with an average collection per online user (ACPU) being ~Rs3,682, and Rs14,040m of online revenue, which is 48.6% of its FY25 revenue. Economies of scale are real, content and platform fixed costs are spread across millions of free and paying users, and PW's large free-content footprint reduces incremental CAC, making low price points cash-productive where competitors cannot replicate the same LTV/CAC trade-off easily.

Freemium + community-led approach funneling student enrolment

PW's growth engine is not paid marketing - it's community gravity. The company's freemium model, anchored in massive organic reach, converts trust into transactions. Its flagship YouTube channel has ~13.7m subscribers and a total of ~98.8m across 207 channels, forming one of the deepest top-of-funnel ecosystems in the Indian edtech sector. That reach translated into 4.46m paid learners in FY25 (CAGR 59%). What differentiates PW is how its community creates a reinforcing loop: free content builds credibility, credibility deepens brand affinity, and affinity drives word-of-mouth enrolments in online/offline formats.

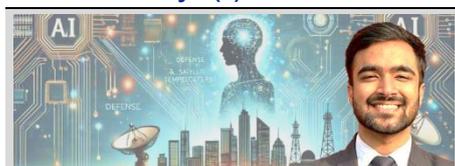
Innovative AI use to optimize costs and improve student experience

AI Guru is answering roughly 2.82m questions per month for JEE/NEET students as of 30 Jun 2025, dramatically reducing the need for 1:1 tutor time for routine doubts. AI Grader handled 304,202 written responses between 1 Aug 2024 and 30 Jun 2025, speeding feedback cycles and lowering marking costs while maintaining accuracy via human cross-checks. The Smart Doubt Engine summarises live questions and surfaces prompts to teachers, while tech shifts operational work from humans to software.

We recommend subscription to Physics Wallah's IPO

The company has demonstrated significant growth over the years in both online and offline business verticals. At the upper end of the price band, the initial public offer (IPO) is valued at EV/sales multiple of 10.7x based on post-issue capital. The valuation of PW seems to be stretched but looking at the strong moat and topline/business expansion, the company is well-placed to disrupt the edtech space. As the business scales up, we expect profitability over the medium- to long-term. Downside risks: Brand reputation among the student community is sensitive, dependence on the promoter's face value, and high attrition rate of the faculty/talent.

Research Analyst(s)



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Financial summary

	Mar-23A	Mar-24A	Mar-25A
Revenue (Rsm)	7,443	19,407	28,866
EBITDA (Rsm)	139	-8,293	1,932
EBITDA margin	1.9%	-42.7%	6.7%
Net Profit (Rsm)	-841	-11,311	-2,433
Core EPS (Rs)	-0.4	-4.8	-0.9
Return on net worth	-135.0%	-	-12.5%
EV/Sales (x)	42.5	16.9	10.7
ROCE (%)	-4.3%	-78.4%	-6.4%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Business overview

Physics Wallah’s business model stitches together three engines - a community-led distribution funnel, a modular AI-enabled technology stack, and a large, continually refreshed content library to sell bundled ‘Batches’ across online, offline and hybrid channels.

A significant portion of discovery and CAC reduction comes from free, high-reach content on its 200+ YouTube channels and community events that feed paid enrolments. The company leverages a flexible, scalable LMS and an ‘Alakh AI’ suite (AI Guru, Smart Doubt Engine, AI Grader, AI Sahayak, TeacherX) to lower marginal teaching hours and speed feedback/doubts, creating operating leverage as enrolments scale.

We believe the company monetizes a large free funnel into paid cohorts, and we foresee margin expansion if conversion, retention and technology-driven unit economics hold up as scale increases.

Revenue funnel is well-distributed ▶

Operational revenue has four funnels, Online (app + web), tech-enabled offline centres, hybrid (two-teacher model), and others (YouTube advertisement revenue + product sales/distribution) feed a single product set (batches, subscriptions, question banks, books) and share the same/similar content assets.

Figure 1: Physics Wallah’s revenue funnels

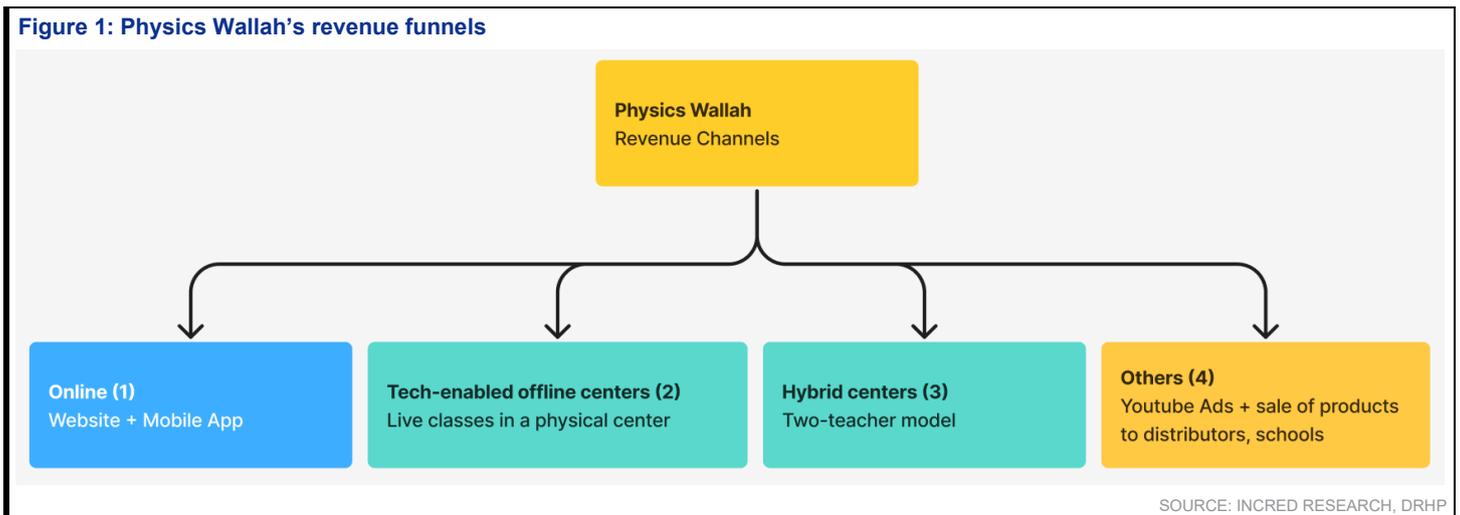
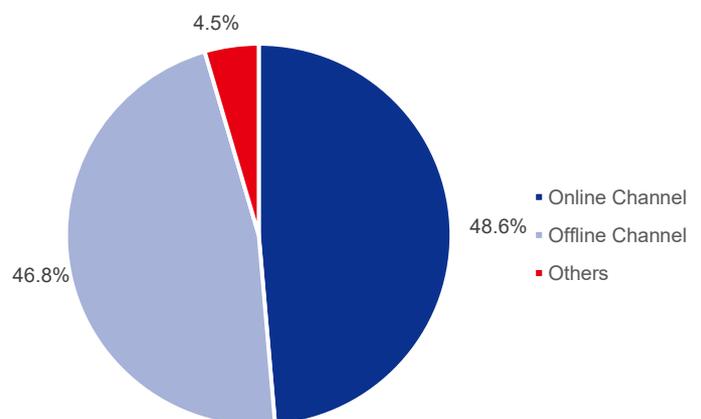
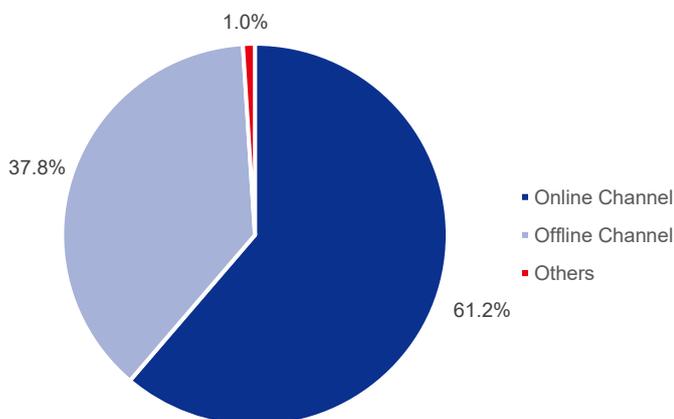


Figure 2: Revenue from ops 2023, dominated by online channel

Figure 3: Balanced revenue funnel in 2025



SOURCE: INCRED RESEARCH, COMPANY REPORTS

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 4: Revenue from operations via all channels (Rsm)

	2023	2024	2025
Revenue (Online channel)	4,558	9,650	14,041
Revenue (Offline channel)	2,811	9,279	13,519
Revenue (Others)	74	478	1,307
Revenue from operations (Total)	7,443	19,407	28,866

SOURCE: INCRED RESEARCH, COMPANY REPORTS

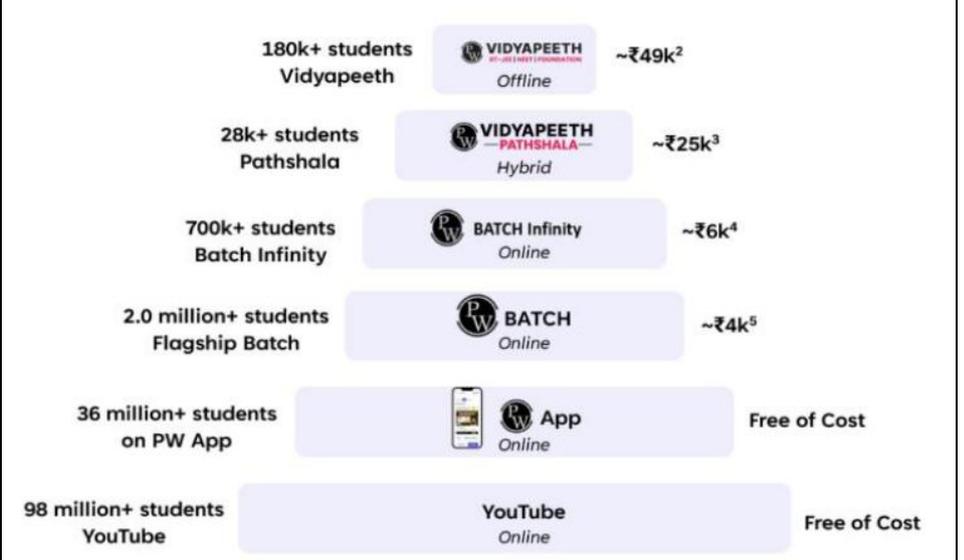
Freemium model generates a network effect ➤

The funnel architecture is impressive. Free, high-reach content builds the top of funnel; the company then monetises through a spectrum of channels.

Physics Wallah’s flagship YouTube channel, Physics Wallah–Alakh Pandey, had roughly 13.7m subscribers as of 15 Jul 2025, and the company’s broader YouTube network counted 98.8m subscribers as of 30 Jun 2025, growing at a CAGR of 41.8% over FY23 and FY25.

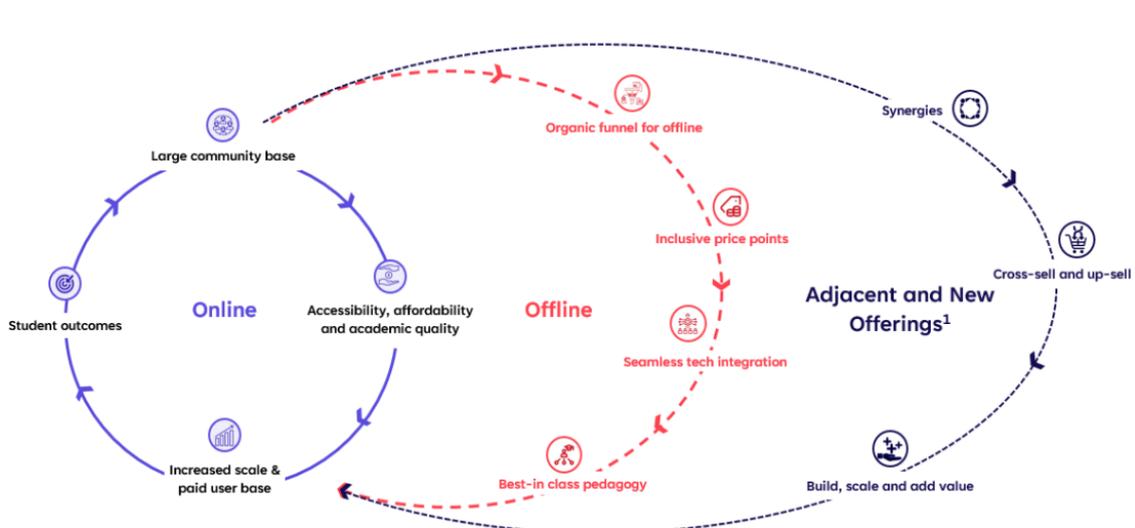
We believe this is a defining economic asset, an owned, low-cost acquisition engine that converts a fraction of free users into paid cohorts and thereby creates large absolute monetisation potential. The company has deliberately paired that digital reach with a growing offline footprint and ranks among the leaders in offline revenue within the organized education sector.

Figure 5: Customer acquisition funnel



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 6: PW follows a community-led approach to expand



SOURCE: INCRED RESEARCH, COMPANY REPORTS

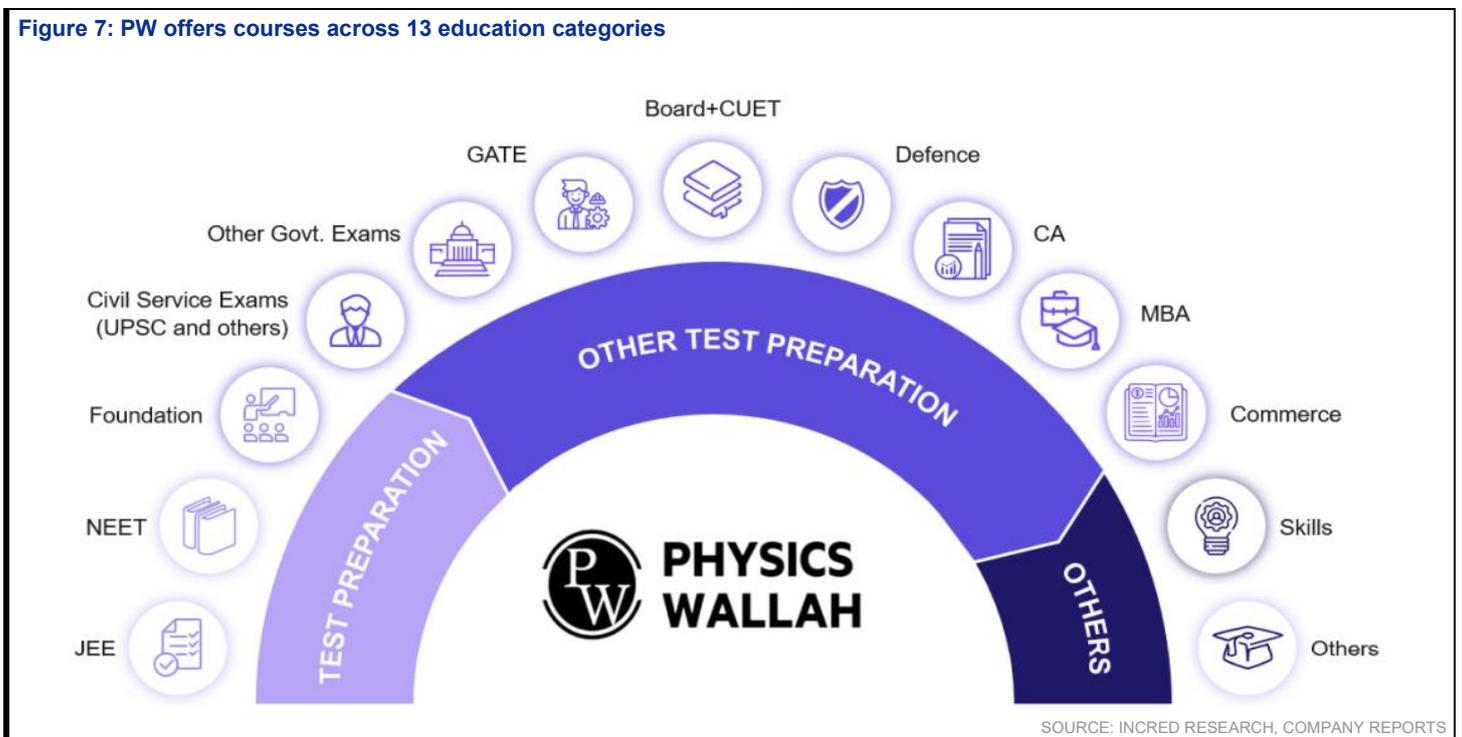
PW has expanded across a wide range of education categories >

PW has deliberately moved from a narrow playbook to a full-funnel education platform, and as of 31 Mar 2025, it offered courses across 13 education categories, up from 6 on 31 Mar 2023.

Foundation programs (classes 6–10) feed early engagement; flagship and subscription online batches address JEE (Joint Entrance Examination) and NEET (National Eligibility cum Entrance Test) preparation; higher-aspirational tracks cover other undergraduate/postgraduate gateways (CUET (Common University Entrance Test), GATE (Graduate Aptitude Test in Engineering), CAT (Common Admission Test)), public administration and railway exams, and professional qualifications (chartered accountant); and a ‘skills’ bucket targets upskilling needs (data science & analytics, banking & finance, software development).

That said, expanding categories increases the content creation burden, requires deeper subject-expert faculty pools, and heightens quality control challenges across channels and geographies.

Figure 7: PW offers courses across 13 education categories



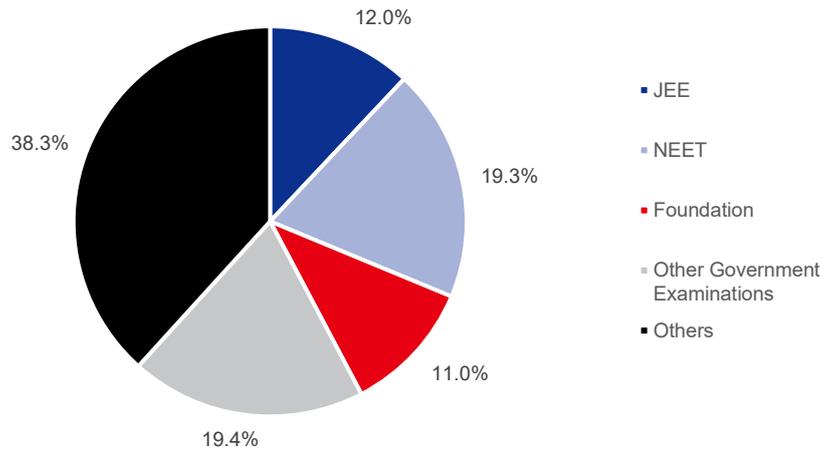
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 8: Distribution of students across categories

Categories	FY23	FY24	FY25
JEE	4,21,257	5,31,768	5,73,422
NEET	6,65,398	8,95,978	9,27,255
Board and CUET	0	83,671	1,93,495
Chartered Accountancy	0	42,186	48,200
Civil Services Examinations	50,968	1,04,400	1,43,471
Commerce	0	31,489	52,883
Defence	0	82,392	96,898
Foundation	1,89,163	3,82,240	5,28,098
GATE	32,425	58,122	73,968
Other Government Examinations	0	9,88,772	9,29,743
MBA	0	25,879	24,022
Others	6,45,927	6,98,189	11,79,452
Skills	0	27,893	24,784
Total Users (A)	20,05,138	39,52,979	47,95,691
Unique Transacting Users (B)	16,82,438	34,01,226	41,30,845
Overlap (C) = (A) - (B)	3,22,700	5,51,753	6,64,846

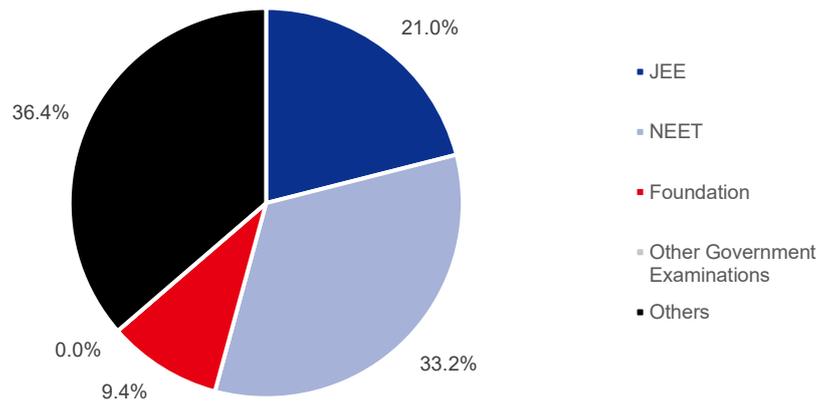
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 9: Revenue distribution across education categories (2023)



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 10: Revenue distribution across education categories (2025)



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 11: Business presence across education categories (2025)

	Categories	Business Presence	Brands
Flagship Test Prep	JEE	✓✓	XYLEM, KNOWLEDGE PLAZA
	NEET	✓✓	XYLEM, KNOWLEDGE PLAZA
	Foundation	✓✓	XYLEM, KNOWLEDGE PLAZA
Other Test Prep	Civil Service Exams (UPSC and Others)	✓✓	ONVIA
	Other Govt. Exam	✓✓	ONVIA, SKILLS
	GATE	✓	GATE WALLAH
	Board + CUET	✓	CUET WALLAH
	Defence	✓✓	XYLEM
	CA	✓✓	CA WALLAH
	MBA	✓	MBA WALLAH
	Commerce	✓	XYLEM
Skills and Others	Skills	✓✓	SKILLS
	Others	✓✓	INSTITUTE OF INNOVATION, acadfly

✓✓ Online + Offline ✓ Online

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Delivery channels >

PW operates through a multi-channel delivery system that integrates **online**, **offline**, and **hybrid** modes, supported by its content ecosystem and technology stack. Each channel caters to distinct segments of learners and contributes differently to the company’s scale, cost structure, and operating leverage.

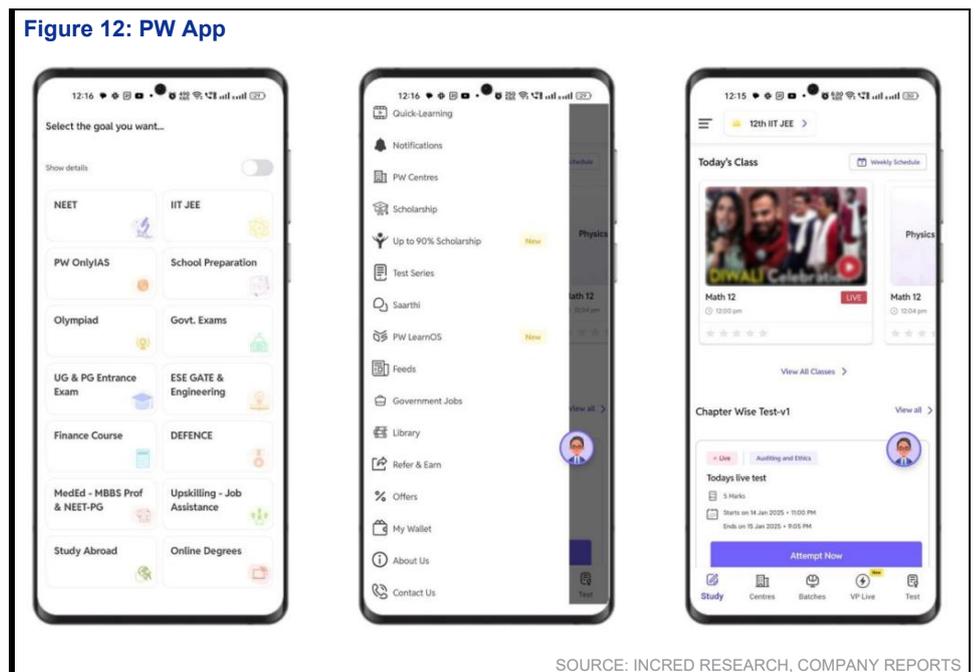
Online channel >

PW’s online operations began with freely accessible content through **YouTube** and other social media channels. As of 30 Jun 2025, it managed **888 social media handles** with **119.27m subscribers/followers**, positioning it as one of the largest digital education networks in India. The open-access model continues to serve as a lead generation funnel, where free content attracts potential customers to paid batches on its website or apps.

The company operates **14 mobile applications**, cumulatively downloaded **71.25m times** as of Jun 2025-end. The flagship app, *PW – JEE/NEET, UPSC, GATE, SSC*, functions as a multipurpose platform spanning all major examination categories. Vertical-specific apps (e.g., *Utkarsh, PW Curious Jr., PW MedEd*) support category-focused delivery and deepen engagement.

From a business model standpoint, online delivery offers **high scalability and low marginal cost per student**, enabling significant operating leverage. However, monetisation relies on converting a fraction of free users into paying students, which inherently limits the pricing power.

Figure 12: PW App



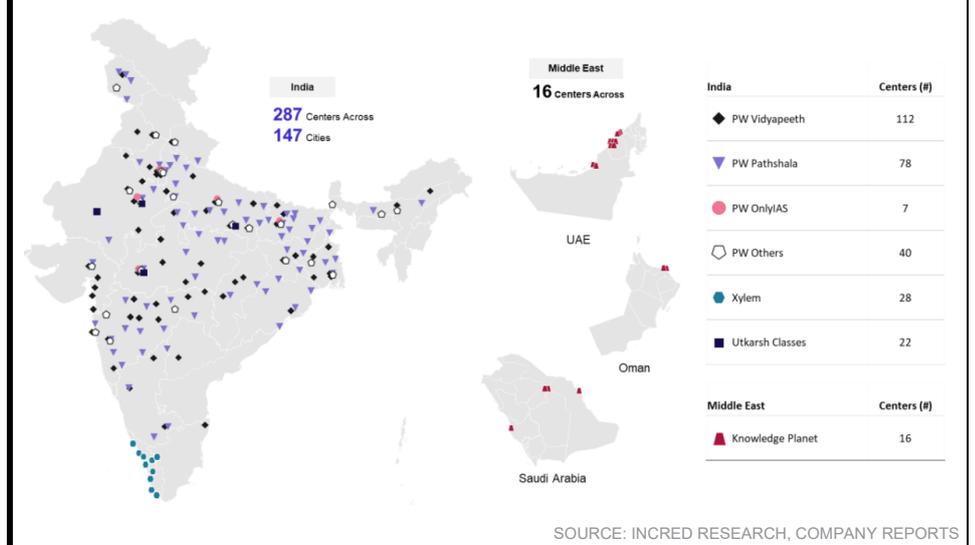
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Offline channel >

PW entered the offline format in **FY22**, expanding rapidly to **152 cities across India and the Middle East** by Jun 2025. Offline students receive physical learning materials, structured classes, and access to in-person doubt resolution counters. Despite digital reach, a large portion of the Indian test-prep market remains **trust-driven and geographically localized**. Physical presence enhances brand credibility, improves student stickiness, and increases average revenue per user (ARPU).

That said, offline operations introduce **fixed costs** such as real estate lease payment, faculty salaries, and infrastructure, thereby reducing flexibility. The company mitigates this partly through **franchise partnerships**, which handle most of the hybrid centres, transferring a part of the capital intensity to third parties.

Figure 13: Rapid offline expansion (2025)



Hybrid model >

PW's hybrid centres, branded as **PW Pathshala**, employ a 'two-teacher' model: one instructor delivers live classes from a studio, while another is physically present to manage in-class engagement and doubt resolution. This structure allows simultaneous delivery across multiple centres, enabling **replication of high-quality instruction at scale** while keeping costs lower than a fully offline set-up.

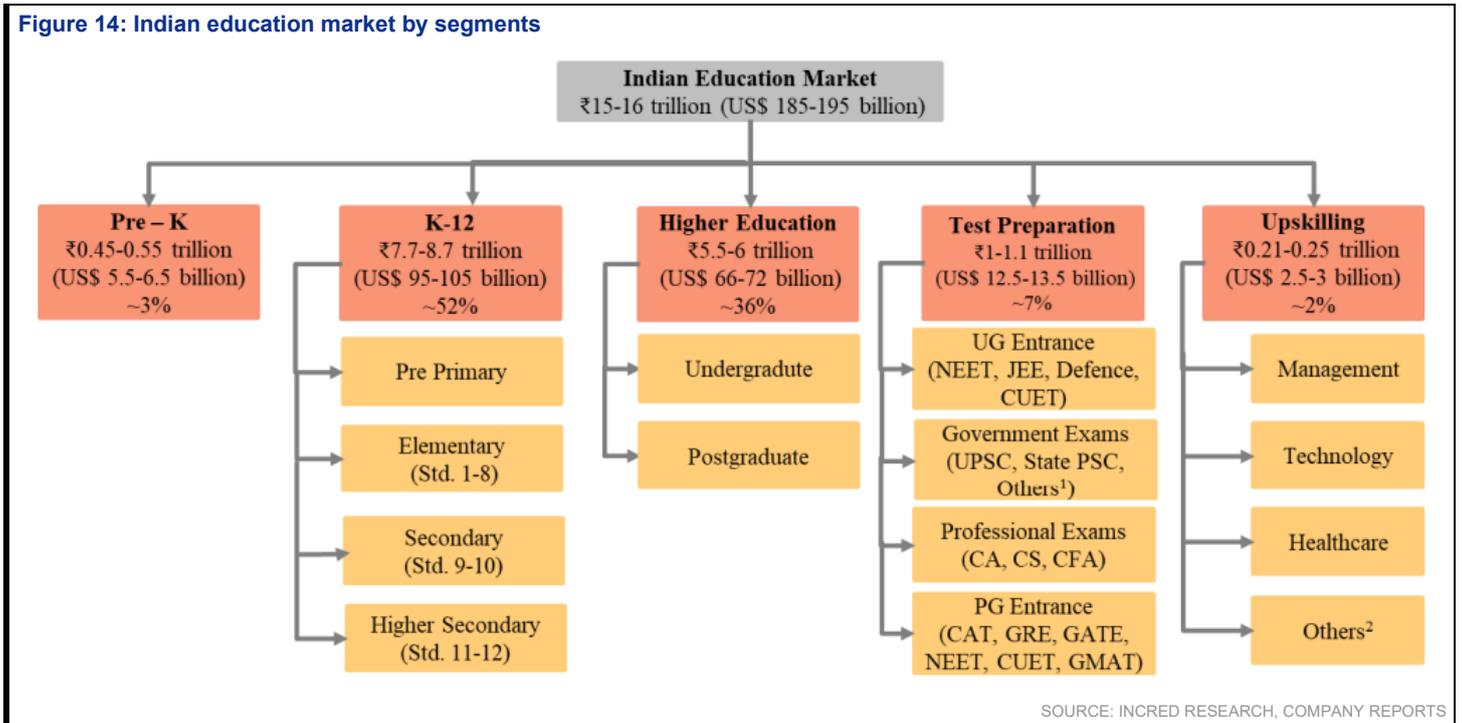
Hybrid centres, conceptually, blend the scalability of online delivery with the tangibility of offline learning.

Industry and competition

We analysed the Indian education market first by recognising its scale and the simple arithmetic that drives demand - roughly Rs15–16tr size of the market in FY25 and a demographic base where about 44% of the population is under the age of 25.

Within that population, a major portion is of school-age (roughly 54% of the under-25 group) and a meaningful share (about 28%) in the college-age bracket.

Figure 14: Indian education market by segments



Universities and colleges have increased meaningfully since 2018 - universities from about 900 to nearly 1,170 and colleges from roughly 39,000 to 45,500, while the number of schools has seen a modest decline from the Covid-19 pandemic effects and some consolidation. Public spending on education has increased in absolute terms (central and state government allocations rising from around Rs10.23bn in FY21 to about Rs14.8bn in FY25), but as a share of the gross domestic product (GDP), India still spends less than many developed economies.

Figure 15: Number of schools in India

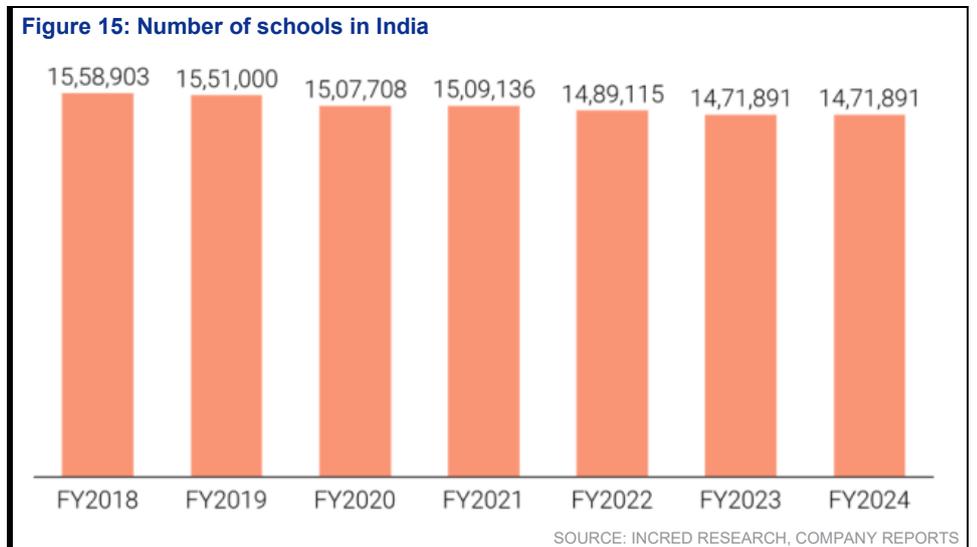
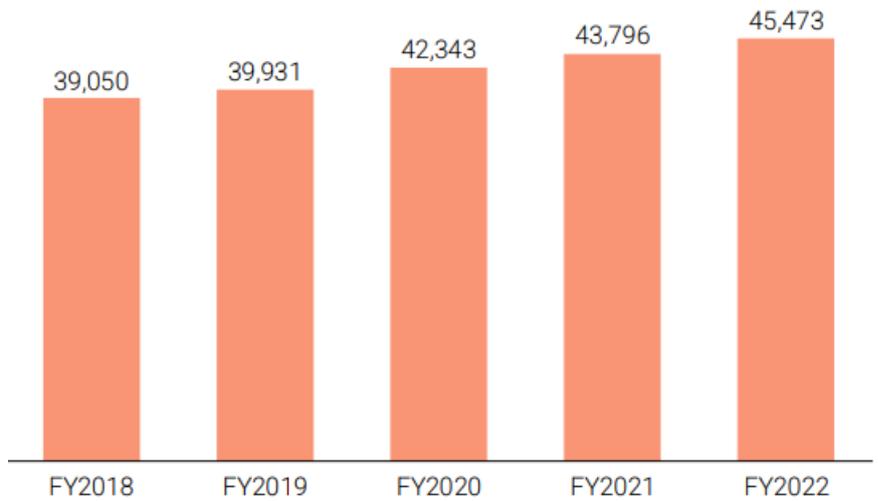
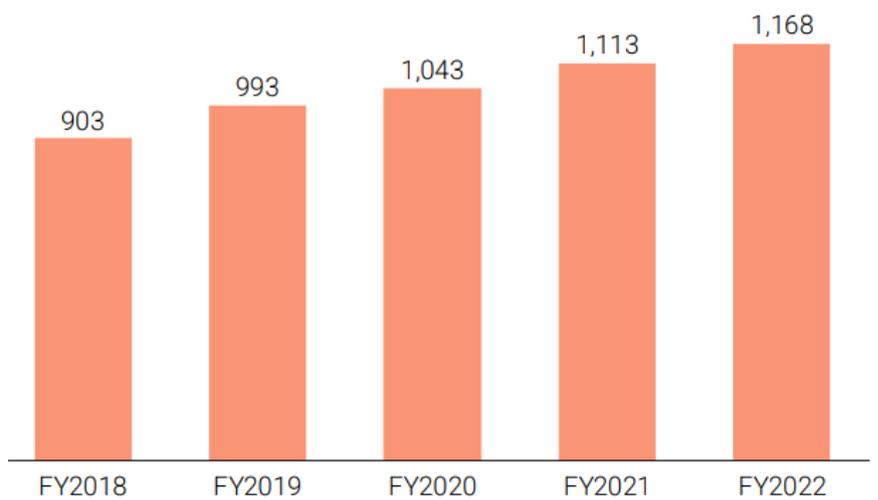


Figure 16: Number of colleges in India



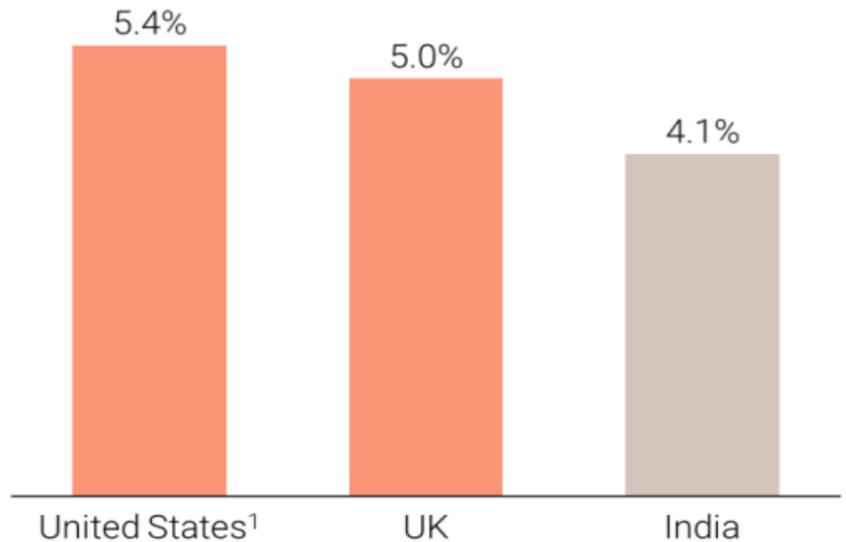
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 17: Number of universities in India



SOURCES: INCRED RESEARCH, COMPANY REPORTS

Figure 18: Government expenditure on education in CY22, as a % of GDP

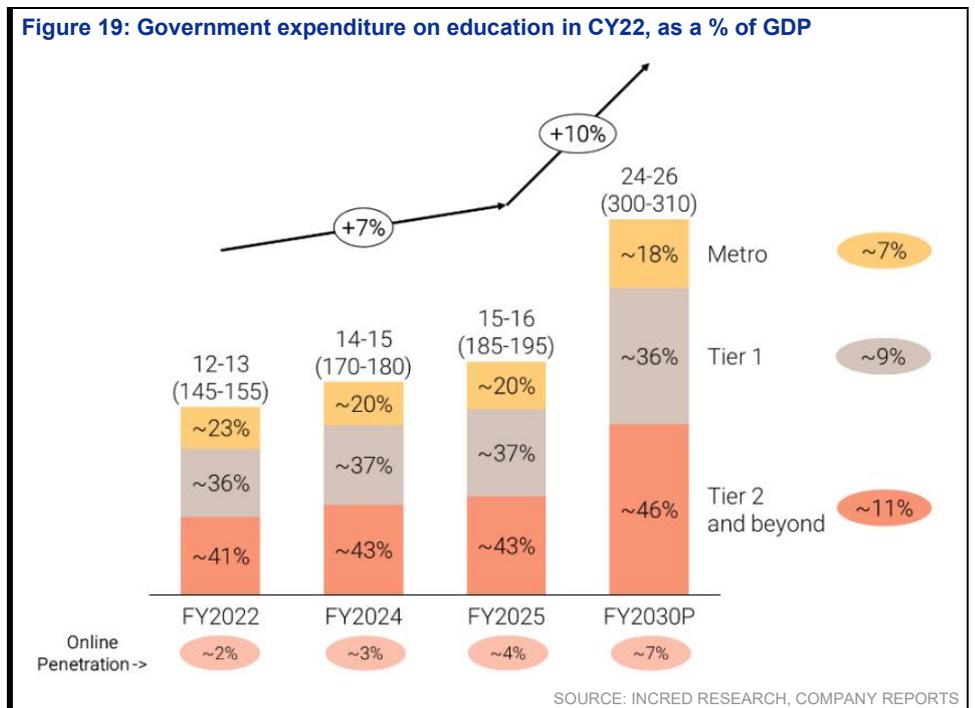


SOURCE: INCRED RESEARCH, COMPANY REPORTS

India's online education sector has been expanding rapidly: penetration rose from roughly 2% in fiscal 2022 to about 4% in fiscal 2025 and is expected to approach 7% by fiscal 2030. Between fiscal 2022 and fiscal 2025, the segment grew at an approximate CAGR of 24%, significantly outpacing the overall education market, which expanded at about 7% over the same period. Measured in value terms, the online market stood at roughly Rs550–600bn (US\$ 6.8–7.3bn) in fiscal 2025 and is forecast to grow at around a 26% CAGR to reach Rs1,700–1,900bn (US\$21–23bn) by fiscal 2030 (Source: Physics Wallah RHP)

This acceleration is underpinned by a few clear drivers. Cheaper data and wider internet access have made digital learning feasible in smaller cities and towns, broadening the addressable audience. Rising demand for flexible, skills-oriented programs, from both working professionals and students, has increased willingness to adopt online courses. The emergence of hybrid models, which combine the scale of digital instruction with the engagement of local offline touchpoints, is improving market penetration and retention. Finally, the lower cost of online delivery, relative to traditional classroom options, makes education more affordable and accessible across a wider range of income segments.

Figure 19: Government expenditure on education in CY22, as a % of GDP



Competition

In fiscal 2024, the five largest organised players by reported revenue were Allen Career Institute (Rs32,447.2m), Aakash Educational Services (Rs23,858.2m), Physics Wallah (Rs19,407.1m), Unacademy (Rs8,398.0m) and Veranda Learning (Rs3,617.3m).

Physics Wallah’s position is interesting - on a pure revenue ranking, it is third, but its business profile looks different from the two companies ahead of it. Allen and Aakash are offline-heavy, outcome-oriented coaching brands with deep reputational moats in test-prep, their economics lean toward higher ARPU per student but also higher fixed costs and slower scalability.

Physics Wallah, by contrast, has built a massive community funnel, its main YouTube channel had about 13.7m subscribers as of mid-Jul 2025, and converts that reach into paid cohorts at disruptive price points.

Figure 20: Revenue analysis (Rsm)

	Entity	Revenue (FY24)
1	Allen	32,447
2	Aakash	23,858
3	Physics Wallah	19,407
4	Unacademy	8,398
5	Veranda Learning	3,617

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Pricing and unit economics are central to the competitive argument. PW deliberately competes on price: one-year JEE/NEET paid courses are priced at approximately Rs4,000–5,000 and UPSC (Union Public Service Commission) courses at about Rs18,000, which highlights it as the most affordable among the top organised test-prep players.

Lower price points expand addressable demand and accelerate enrolments, but the arithmetic is unforgiving, low prices demand either very high volume or materially lower customer acquisition costs and operating overheads to produce attractive margin. This is where PW’s community model matters: organic discovery via free content dramatically lowers CAC, increasing the likelihood that low-priced offerings can still be cash-productive. The countervailing risk is conversion: large free audiences do not guarantee high paid conversion or low churn, and small differences in conversion will lead to large differences in lifetime value (LTV).

Figure 21: Course pricing across players

Courses	PW	Top five organized players (excluding PW)
JEE (Class 12)	Rs4,500	Rs75,000–₹80,000
NEET (Class 12)	Rs4,800	Rs63,000–₹67,000
UPSC	Rs18,000	Rs 1,10,000

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Each major education company in India operates with a distinct strategic focus aligned to specific learner segments. Traditional players like Allen Career Institute, Aakash Educational Services, and FIITJEE concentrate largely on the test preparation market, leveraging their strong offline presence and outcome-driven models. In contrast, companies such as Upgrad Education and Eruditus Education have positioned themselves around higher education and professional upskilling, targeting working professionals and postgraduate learners. Only a limited set of companies, notably Physics Wallah, Veranda Learning, and Unacademy, function as full-stack platforms, spanning multiple categories and delivering an integrated offering that caters to a broader spectrum of student needs.

Figure 22: Educational categories

Key players	Pre-K	K-12 ¹	Higher Education	Test Preparation	Upskilling
Physics Wallah	×	✓	✓	✓	✓
Eruditus Education	×	×	✓	×	✓
Allen Career Institute	×	✓	×	✓	×
Aakash Educational Services	×	✓	×	✓	×
Unacademy	×	✓	×	✓	✓
Upgrad Education	×	×	✓	✓	✓
FIITJEE	×	✓	×	✓	×
Veranda Learning Solutions	×	✓	✓	✓	✓

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Financials and valuation

Revenue >

Physics Wallah's top line is a function of two levers - the online funnel (YouTube to paid conversions to repeat spending) and the offline rollout (number of centres, which brings a higher-value, higher-touch revenue stream). The company's revenue from operations have grown from Rs7.4bn in FY23 to Rs28.8bn in FY25, and we project it to rise to Rs82.6bn by FY28F.

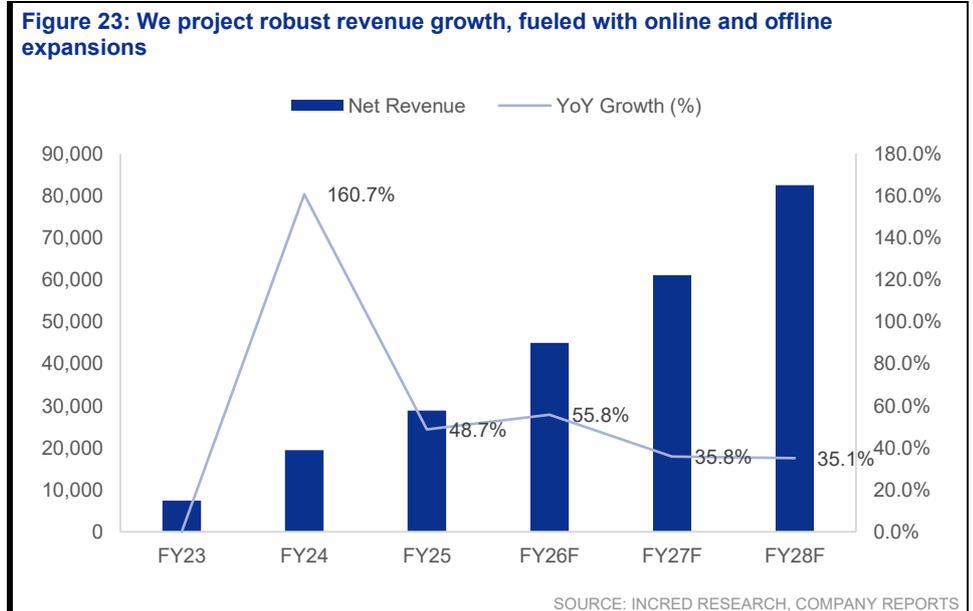
The online engine >

The company's subscriber base, projected to rise from about 98.8m in FY25 to nearly 281m by FY28F, represents a vast pool of prospective learners. What matters, however, is not the audience size but the conversion efficiency, the percentage of free learners who become paying students.

Unlike traditional edtechs that burn capital on paid acquisition, PW's cost of customer acquisition remains low, allowing for profitable conversion. Our projections assume that the share of paying users within this base rises gradually, as reflected in the growth of unique transacting users, from 4.13m in FY25 to 11.8m by FY28F.

Offline expansion >

From a modest base of 28 centres in FY23, the company has expanded aggressively to 198 in FY25 and is projected to reach 445 by FY28F. Each centre, in essence, converts digital trust into physical engagement, offering a higher-touch, higher-ticket experience that directly lifts the company's average revenue per transacting user (ARPU).

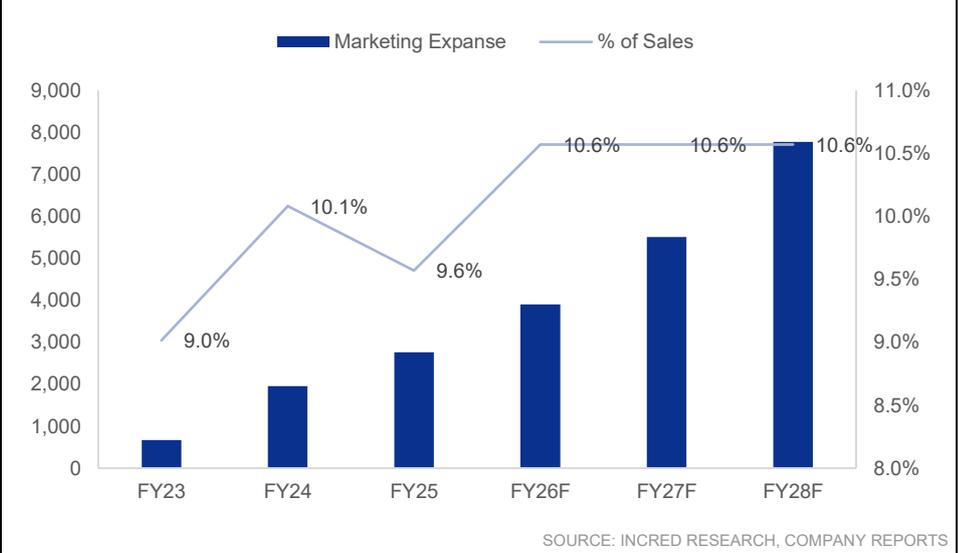


Marketing expenses >

In FY25, Physics Wallah's marketing expenditure stood at **Rs2,762m, 9.6% of revenue from operations**. Compare that with its peers, and the difference is high. **Eruditus Education** spends nearly **28% of its revenue** on marketing, **Unacademy** spends **29%**, and **Upgrad** allocates **22.9%**. Even relatively conservative players like **Veranda Learning** and **FIITJEE** come in higher, at **13.5%** and **19%**, respectively.

Only **Allen Career Institute** (3.6%) and **Aakash Educational Services** (6.6%) spend less, but that's because they are mature, offline-heavy businesses with limited digital acquisition costs. For a fast-scaling, hybrid player like Physics Wallah, maintaining marketing intensity at just **10%** is very efficient.

Figure 24: We expect marketing expenditure to be stable around ~10%



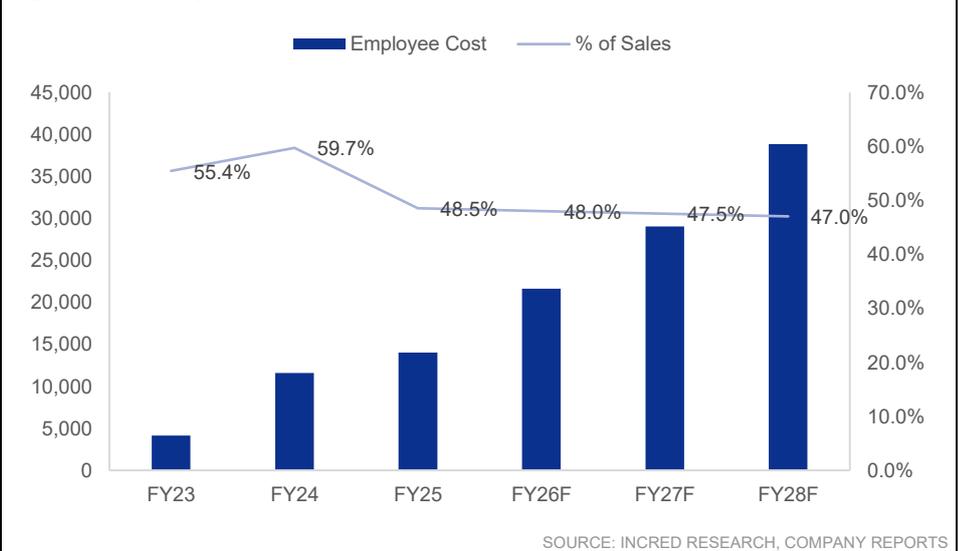
Employee costs ➤

The combination of **employee costs** and **professional fees** (essentially full-time and contractual educators, plus specialized content and operational support) account for more than **50% of revenue from operations**.

The business is deeply **human-capital intensive**. This is not a software business masquerading as edtech; it is an education company using technology to extend reach.

Second, it also signals a degree of **cost stickiness**. While content once produced can be reused, good teaching, and the Physics Wallah brand promise requires ongoing investment in faculty, teaching assistants, and academic operations. This expense will not disappear with scale, but what will change is the **efficiency of delivery**, more students per educator, better reuse of recorded lectures, and automation in back-end processes.

Figure 25: Employee costs are projected to be elevated



EBITDA and EBITDA margins >

The rebound in FY25, with EBITDA turning positive at Rs735m (a 2.5% margin), marks an important inflection point.

In education, as in most content businesses, incremental margins tend to expand rapidly once utilization rises. Every new student in a class, or every new enrolment in an online course, adds revenue with very little incremental cost.

We project EBITDA margin to rise steadily to 6.9% in FY26F, 7.1% in FY27F, and 7.2% in FY28F. The growth rate of EBITDA, therefore, will likely outpace revenue over this period, reflecting both operating leverage and improving efficiency in student acquisition.

Figure 26: We expect the EBITDA margin to expand to 7.2%

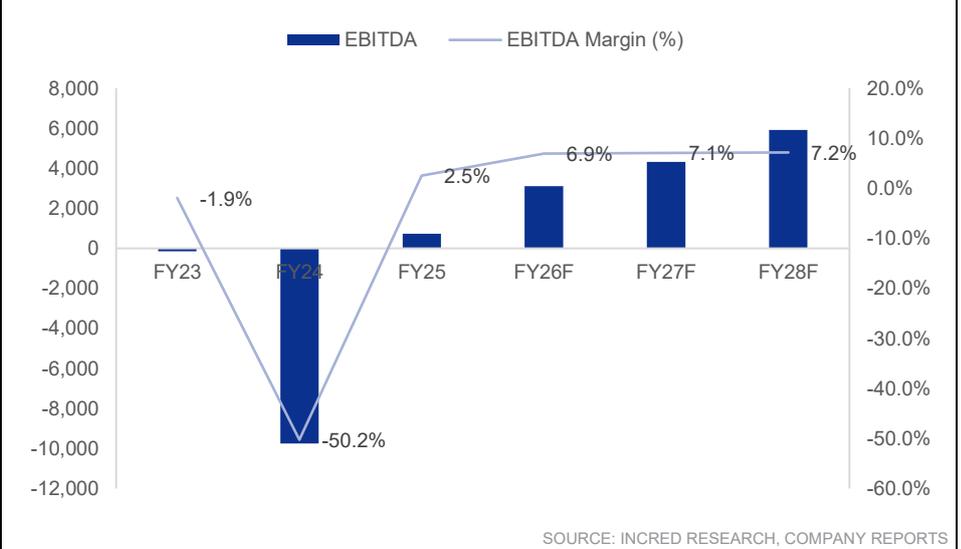
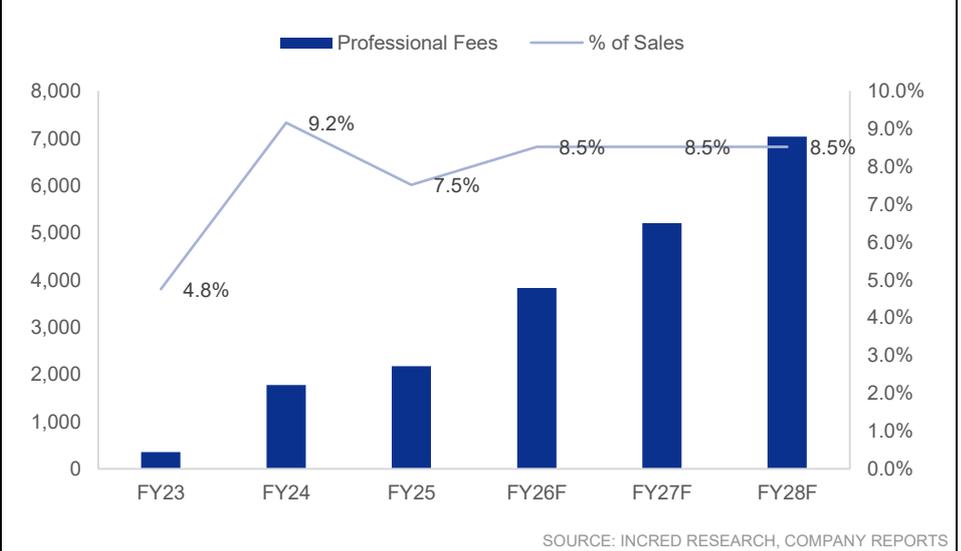


Figure 27: We expect professional fees to scale as sales increases, to ~8.5% of sales



Valuation ➤

PW is reshaping the industry's economics. At the upper end of the price band, the IPO is valued at an EV/sales multiple of 10.7x (based on post-issue capital). This appears demanding, but when placed in the broader context of India's listed new-age peers, the valuation is broadly in line with sector multiples (FY25). Companies such as PB Fintech (14.4x), Nykaa (8.5x), and Eternal (14.6x) trade within a similar range, reflecting the market's willingness to ascribe premium valuations to high-growth, asset-light, and digitally-scalable platforms.

The company's ability to blend online scalability with physical reach gives it an advantage over pure-play digital models. As offline centres mature and yield stable cash flows, and as employee and professional costs stabilise as a percentage of revenue, we expect steady improvement in operating profitability. We recommend subscription to the Physics Wallah IPO.

Figure 28: Comparing new-age technology companies (Rsm)

FY25	Revenue (2024)	Revenue (2025)	Revenue Growth	EBITDA	Net Income	EPS	EV	EV/Sales
1 PB Fintech	34,377	49,772	44.8%	937	3,530	7.8	7,19,051	14.4
2 Eternal	1,21,140	2,02,430	67.1%	6,370	5,270	0.6	29,49,060	14.6
3 BlackBuck	2,961	4,267	44.1%	933	-87	-0.5	1,05,391	24.7
4 Delhivery	81,415	89,319	9.7%	3,758	1,621	2.2	3,34,060	3.7
5 FirstCry	63,255	74,681	18.1%	2,300	-1,915	-4.1	1,96,042	2.6
6 Nykaa	63,856	79,498	24.5%	4,739	661	0.2	6,77,428	8.5
7 PayTM	99,778	69,004	-30.8%	-15,065	-6,587	-10.4	3,69,500	5.4
8 Swiggy	1,12,474	1,52,268	35.4%	-27,858	-31,168	-13.7	7,24,534	4.8
9 Physics Wallah	19,407	28,866	48.7%	735	-2,402	-1	3,09,950	10.7

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Risks

The company's rapid scale-up from a digital-first venture into a hybrid, multi-category education platform has introduced both financial and operational complexity. While revenue growth has been impressive, profitability remains elusive and dependent on efficient cost control, sustained faculty engagement, and disciplined capital allocation.

Key-person risk is concentrated on the promoters >

Brand and product leadership are tightly linked to the founders and a small management cohort. The potential departure of founders or senior faculty would likely impair brand value and future enrolment growth.

Physics Wallah's brand equity is inseparable from the public persona of its founder, **Mr. Alakh Pandey**, whose credibility and teaching style built the company's early network effects. His on-screen presence, direct engagement with students, and symbolic association with affordable education have become the company's primary marketing moat. This dependence, however, converts individual charisma into a business variable — one that cannot be diversified or replicated through systems. If Mr. Pandey were to disengage from day-to-day operations, reduce visibility, or pursue a competing venture, the brand could experience a direct and immediate erosion of trust and enrolment traction.

Faculty and talent attrition threaten delivery quality and student economics >

Faculty attrition moved from 18.00% (FY23) to 40.40% (FY24) and eased to 26.98% (FY25); employee attrition was 45.27% in FY24 and 36.51% in FY25 with quarterly spikes (51.89% then 37.72%). The business is teacher-intensive and reputation-sensitive: loss of high-quality faculty or inability to scale trained instructors (1,325 trained via FTP to 30 Jun 2025) would impair course quality, reduce enrolments and force incremental spend on talent replacement or marketing.

Rapid expansion (organic + acquisitions) creates integration and execution risk >

The company's growth strategy includes acquisitions (e.g., Xylem, Utkarsh Classes) and a fast rollout of offline centres. M&A and multi-channel scaling introduce integration costs, one-time charges, and the risk that acquired businesses don't replicate unit economics.

Growth has been expensive; top-line scale not yet converted into reliable profits >

Revenue growth has been accompanied by proportionate increase in employee costs, ESOP charges, advertising, server and offline centre depreciation. Management's stated strategy to expand categories and offline footprint increases near-term capital intensity and operating leverage risk. From a valuation perspective, faster top-line alone is not sufficient; the sensitivity of free cash flow to incremental revenue is key.

Management

Figure 29: Management

Sr. No.	Name	Designation	Description
1	Mr. Alakh Pandey	Whole-Time Director and Chief Executive Officer	Alakh Pandey, one of the promoters of Physics Wallah, serves as the Whole-Time Director and Chief Executive Officer of the company. Associated with the company since its inception, he provides strategic direction, sets governance standards, and oversees key business decisions. Mr. Pandey completed his higher secondary education from Bishop Johnson Education School and College, Prayagraj, Uttar Pradesh. With over five years of experience in the education-technology sector, he has been widely recognized for his contributions to the industry. His accolades include 'Entrepreneur of the Year – Education' by <i>The Economic Times</i> (2024), inclusion in the '40 under 40' lists by <i>The Economic Times</i> and <i>Fortune</i> (2024), a cover feature in <i>Forbes India</i> (2023), 'Edtech CEO of the Year' by <i>BW Business World</i> (2023), and 'Best Digital Person of the Year – Growth Catalyst' by the Internet and Mobile Association of India.
2	Mr. Prateek Boob	Whole-Time Director	Mr. Prateek Boob, also a promoter, serves as a Whole-Time Director at Physics Wallah. He joined the company on 1 Jul 2020 and plays a key role in driving strategic initiatives and innovation planning. Mr. Boob holds a bachelor's degree in mechanical engineering from the Indian Institute of Technology (Banaras Hindu University), Varanasi. Before joining Physics Wallah, he was associated with Caterpillar India Private Limited. He brings over a decade of experience in the education-technology space.
3	Deepak Amitabh	Chairperson and Non-Executive Independent Director	Mr. Deepak Amitabh serves as the Chairperson and Non-Executive Independent Director of Physics Wallah, having joined the board on 12 Feb 2025. He holds a bachelor's degree in science (honours) from the University of Delhi. His professional background includes leadership roles at the Power Trading Corporation of India and service with the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Government of India. Mr. Amitabh brings over 40 years of experience in public sector administration and governance.
4	Mr. Nitin Savara	Non-Executive Independent Director	Mr. Nitin Savara serves as a Non-Executive Independent Director at Physics Wallah, having joined the board on 12 Feb 2025. He holds a bachelor's degree in commerce (honours) from the University of Delhi and a bachelor's degree in law from Chaudhary Charan Singh University. A qualified chartered accountant, he is an associate member of the Institute of Chartered Accountants of India. Prior to joining Physics Wallah, Mr. Savara was associated with leading firms such as Ernst & Young LLP, BMR Advisors LLP, and Zomato. He brings over 17 years of experience spanning finance, taxation, and accounting.
5	Ms. Rachna Dikshit	Non-Executive Independent Director	Ms. Rachna Dikshit is a Non-Executive Independent Director at Physics Wallah, associated with the company since 12 Feb 2025. She holds a bachelor's degree in arts from the University of Lucknow and a master's degree in arts from the University of Allahabad. A certified associate of the Indian Institute of Bankers, she has had a distinguished career with the Reserve Bank of India, bringing more than three decades of experience in banking and financial regulation.
6	Mr. Sandeep Singhal	Non-Executive Nominee Director	Mr Sandeep Singhal serves as a Non-Executive Nominee Director at Physics Wallah, representing WestBridge AIF I and Setu AIF Trust. He joined the company's board on 1 Mar 2025. Mr. Singhal holds a bachelor's degree in chemical engineering from the Indian Institute of Technology, Delhi, a postgraduate diploma in management from the Indian Institute of Management, Ahmedabad, and a master's degree in chemical engineering from the University of Illinois. As co-founder and managing partner of WestBridge Capital, he brings over two decades of experience in private equity and venture investing in India.

SOURCES: COMPANY REPORTS

BY THE NUMBERS

Profit & Loss			
(Rs mn)	Mar-23A	Mar-24A	Mar-25A
Total Net Revenues	7,443	19,407	28,866
Gross Profit	7,062	18,503	27,639
Operating EBITDA	(144)	(9,752)	735
Depreciation And Amortisation	826	2,983	3,664
Operating EBIT	(970)	(12,735)	(2,929)
Financial Income/(Expense)	207	651	853
Pretax Income/(Loss) from Assoc.			
Non-Operating Income/(Expense)	282	746	1,524
Profit Before Tax (pre-EI)	(894)	(12,639)	(2,258)
Exceptional Items		(712)	327
Pre-tax Profit	(894)	(13,351)	(1,931)
Taxation	(54)	(616)	(153)
Exceptional Income - post-tax			
Profit After Tax	(851)	(11,990)	(2,075)
Minority Interests			
Preferred Dividends			
FX Gain/(Loss) - post tax			
Other Adjustments - post-tax			
Net Profit	(851)	(11,278)	(2,402)
Recurring Net Profit			
Fully Diluted Recurring Net Profit			

Cash Flow			
(Rs mn)	Mar-23A	Mar-24A	Mar-25A
EBITDA	(894)	(11,927)	(2,586)
Cash Flow from Invt. & Assoc.			
Change In Working Capital	2,012	2,272	1,970
(Incr)/Decr in Total Provisions	721	2,513	3,200
Other Non-Cash (Income)/Expense		-	-
Other Operating Cashflow	1,120	9,127	2,327
Net Interest (Paid)/Received	1	195	176
Tax Paid	(259)	(60)	(19)
Cashflow From Operations	2,700	2,120	5,069
Capex	(1,459)	(2,110)	(1,668)
Disposals Of FAs/subsidiaries			
Acq. Of Subsidiaries/investments			
Other Investing Cashflow	(9,296)	1,681	(13,464)
Cash Flow From Investing	(10,755)	(429)	(15,132)
Debt Raised/(repaid)	974	(261)	(724)
Proceeds From Issue Of Shares	7,911	-	12,672
Shares Repurchased			
Dividends Paid	-	-	-
Preferred Dividends			
Other Financing Cashflow	(409)	(1,386)	(1,881)
Cash Flow From Financing	8,476	(1,647)	10,068
Total Cash Generated	421	44	4
Free Cashflow To Equity			
Free Cashflow To Firm			

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS...cont'd

Balance Sheet			
(Rs mn)	Mar-23A	Mar-24A	Mar-25A
Total Cash And Equivalents	490	533	537
Total Debtors	127	275	415
Inventories	227	533	770
Total Other Current Assets	7,281	6,061	21,196
Total Current Assets	8,124	7,401	22,919
Fixed Assets	8,390	12,423	13,218
Total Investments			
Intangible Assets	2,840	2,538	2,735
Total Other Non-Current Assets	1,468	2,694	3,244
Total Non-current Assets	12,697	17,655	19,197
Short-term Debt	312	386	1
Current Portion of Long-Term Debt			
Total Creditors	519	1,288	1,869
Other Current Liabilities	4,225	9,286	12,797
Total Current Liabilities	5,055	10,959	14,667
Total Long-term Debt	9,250.01	16,488.28	2.40
Hybrid Debt - Debt Component			
Total Other Non-Current Liabilities	6,975	9,224	11,710
Total Non-current Liabilities	16,225	25,712	11,713
Total Provisions	44	108	201
Total Liabilities	21,323	36,779	26,581
Shareholders Equity	-1,826	-12,465	15,246
Minority Interests	1,325	743	290
Total Equity	(502)	(11,722)	15,535

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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- Hold** The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
- Reduce** The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

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- Neutral** A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
- Underweight** An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

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