IPO NOTE – PHYSICSWALLAH LIMITED

11th November 2025

Strong student community and expanding education streams to drive growth!!

PhysicsWallah Limited (PW) is a new-age edtech company that offers test preparation courses for competitive examinations and other courses. Its delivery channels includes a) Online (Youtube channel, Website, and Apps), b) Tech enabled offline channels (where faculty conduct live classes in a physical centre) or c) Hybrid centres (2 teacher model where a student attends a live online class at a physical center and can benefit from another faculty that is present at the center to resolve questions and participate in revision classes). PW is one of the largest ed-tech companies in India in terms of student communities, having 13.7 mn YouTube subscribers on their main channel as on July'25. It had ~4.5 mn paid users along with ~6,300 faculty members and a digital content library consisting of ~4,400 books and a question bank of ~8.6 mn questions across various languages, as on 30th June, 2025. They also have a significant offline presence with 303 total centers including 112 Vidyapeeth centers, 78 Pathshala centers (hybrid) and 47 centers under 'PW Other Center' format.

Robust community supported with multiple education categories:-

PW aims at building its community of students by providing free content through engaging pedagogy for its social media channels, website, and apps, with attractive options for paid users. It operates one of the largest online student community, having ~98.8 mn subscribers across its 207 active channels. For FY25, their total number of paid users was ~4.5 mn, growing at a CAGR of ~60% from FY23-25. It implements an open-access approach by offering many of its courses and content for free on various platforms like YouTube, fostering brand loyalty among students which supports in their ability to convert their digital community into paid users. As on June'25, they offered courses across 13 education streams, across multiple channels and intends to continue growing its network of courses and education categories, offering them in multiple languages, to connect with a larger student base. They expanded into South India to offer courses in few South Indian languages with the acquisition of Xylem in FY24. They also expanded into Govt. competitive exams with their acquisition of "Utkarsh classes" and strenghthened their position in the civil services with its acquisition of 40% and 45% stake in "Guiding Light" and "Sarrthi IAS".

Accessibility and affordability at scale with multiple channels of operations:-

PW has access to a large market in India with majority of India's population belonging to the middle or lower-income segments and large proportion of population residing outside Tier-1 and major urban centers, wherein quality education at an affordable price becomes a big challenge. PW provides online courses at an affordable price, with average JEE course costing ~Rs 4,500 and NEET course costing ~Rs 4,800 v/s industry charges of ~Rs 75,000 for JEE and ~Rs 67,000 for NEET. It can offer students tech-backed tools that reduce their faculty requirements to support their functions and continue to innovate to provide students with additional value-added services allowing them to upsell additional services at a minimal add-on costs. Further, they have developed a learning management system (LMS) that uses AI, big data, and ML which helps in answering student doubts promptly and helps in grading subjective written answers without human intervention and provides quick feedback than traditional evaluation. They operate 303 offline teaching centres, in addition to its online presence, and plans to expand its offline presence by opening new centres in high- demand areas. In 2023, they expanded in Middle East as well with the acquisition of Knowledge Planet, and now operates 16 centers there as on 30/06/2025.

Key Risks:- 1) Faculty attrition, 2) Reputation and brand of promoter (Mr. Alakh Pandey) is key, 3) Plagiarism and piracy, 4) Unstable internet connectivity could affect overall experience, 5) History of ed-tech companies in India has not been favourable.

Financials & valuation:-

PW is India's largest ed-tech company, operating across multiple channels and supported by its strong student-led community, affordable pricing, an interactive learning experience and engaging faculties. PW is well poised to continue its growth trajectory owing to a net-debt-free balance sheet, further expansion into offline centers and new courses, development of new tools and AI models to enable support to both students and teachers and strong and experienced promoter in Mr. Alakh Pandey. At the upper price band, PW is available at a valuation of ~ 11x its FY25 revenue. We have a **SUBSCRIBE** for long term recommendation to this issue.

Rating	**SUBSCRIBE**
Issue Details	
Issue Opens	11-Nov-25
Issue Closes	13-Nov-25
Face Value (₹)	1
Price Band (₹)	103-109
Bid Lot	137 shares
Issue Size (₹ Cr)	3,480
Market cap at upper price band (₹ Cr)	31,170
Listing	NSE/BSE
BRLM	Kotak Capital, JP Morgan, Goldman Sachs, Axis Capital
Registrar	MUFG Intime Pvt Ltd.

Shareholding Pattern (%)

	Pre-Issue	**Post Issue**
Promoters	81.60	72.30
Public	18.40	27.70
Total	**100**	**100**

Issue Structure (In Cr no. of shares)

Issue size	**31.92**
Fresh Issue	**28.44**
OFS	3.48
Break-up of net issue to public (%):	
QIB portion	75.0
Non-Institutional portion	15.0
Retail Portion	10.0

Source: ABML Research, RHP

Analyst Details

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Key Financials (₹ Cr)	Mar-23	Mar-24	Mar-25
Total Income	**744**	**1,941**	**2,887**
Adj. EBITDA	**119**	**67**	**432**
Adj. EBITDA Margin (%)	***16.0***	***3.5***	***15.0***
PAT	**(84)**	**(1,131)**	**(243)**
PAT Margin (%)	***-11.3***	***-58.3***	***-8.4***
Net Worth	**62**	**(862)**	**1,945**