PHYSICSWALLAH LIMITED

LONG TERM SUBSCRIBE

IPO Report

10th Nov '25

Snapshot

Company offer test preparation courses for competitive examinations, and other courses such as for upskilling. Company's channels of delivery include – (i) online, which includes company's social media channels, website and apps; (ii) techenabled offline centers (where company's faculty conducts live classes in a physical center); or (iii) hybrid centers (its two-teacher model where a student attends a live online classes at a physical center and can benefit from another faculty that is present at the center to resolve questions and participate in revision classes).

VALUATION

Company is bringing the issue at price band of Rs 103-109 per share at ev/sales multiple of more than 10x on post issue basis. Company had 4.46 million Total Number of Paid Users in Fiscal 2025 which grew at a CAGR of 59.19% between Fiscals 2023 and 2025 and company had 2.43 million Paid Users in the three months ended June 30, 2025, driven by a student community-led approach. Company have a presence across 13 education categories in India with courses offered through multiple,channels. Company has Specialized faculty members across categories, content and well-planned curriculum leading to successful results
Hence, we recommend "Long term Subscribe" to the issue.

Price Band (Rs./Share)	**103-109**
Opening date of the issue	**11th Nov '2025**
Closing Date of the issue	**13th Nov '2025**
No of shares pre issue	2,60,79,56,938 Eq Shares
Issue Size	Rs 3480 Cr
Fresh issue	Rs 3100 Cr
Offer For Sale	Rs 380 Cr
Face Value (Rs/ share)	Rs 1/share
Bid Lot	137
Employee Discount	Rs 10/share
BIDDING DETAILS	
QIBs (Including Anchor)	75% of the offer (Approx 23,89,67,890 Eq Shares)
Non-Institutional	15% of the offer (Approx 4,77,93,577 Eq Shares)
Retail	10% of the offer (Approx 3,18,62,385 Eq Shares)
Employee Reservation	Eq Shares Upto Rs 7 Cr
Lead managers	Axis Capital, Kotak Mahindra Capital, J.P. Morgan India, Goldman Sachs
Registrar to the issue	MUFG Intime India

WHAT WE LIKE

Company had 4.46 million Total Number of Paid Users in Fiscal 2025 which grew at a CAGR of 59.19% between Fiscals 2023 and 2025 and company had 2.43 million Paid Users in the three months ended June 30, 2025, driven by a student community-led approach.

For Fiscal 2025, company had 4.46 million Total Number of Paid Users which grew at a CAGR of 59.19% between Fiscals 2023 and 2025 and in the three months ended June 30, 2025 company had 2.43 million Paid Users which increased from 1.87 million Paid Users in three months ended June 30, 2024.

Company have a presence across a large number of education categories in India with courses offered through multiple channels

As at June 30, 2025, company offered courses across 13 Education Categories4 which increased from six Education Categories1 as at March 31, 2023. Through company's wide course offerings, it intend to be present across a student's learning journey from early education to competitive examinations for university admissions, public administration jobs and professional qualifications, and also assist them with professional skills development.

Specialized faculty members across categories, quality content and well-planned curriculum leading to successful results

As at June 30, 2025, company had 6,267 Total Faculty Members (including employees and consultants) which primarily includes teachers, question/doubt resolution faculty and content development team. Company's pool of faculty members ensure that company have specialists across multiple disciplines and functions related to academics. Company have a defined structure with faculty members assigned to different functions with demarcated responsibilities.

COMPANY BACKGROUND

Among the top 5 education companies in terms of revenue in India, company is the largest in India in terms of student community, with its main YouTube channel, “Physics Wallah-Alakh Pandey" having ~13.7 million subscribers as of July 15, 2025, according to Redseer Report .Company’s YouTube community had 98.80 million subscribers as at June 30, 2025 and grew at a CAGR of 41.80% between Fiscals 2023 and 2025. Company also have a significant offline presence among education companies in India in terms of offline revenue, according to the Redseer Report . Company is also among the top-five education companies in terms of revenue in India and are one of the fastest-growing companies in terms of revenue growth during Fiscals 2023 to 2025.

Company have sought to cultivate its student community by offering quality education. Company provide content using engaging and tech-enabled pedagogy (which means teaching methodologies). Further, a large portion of company’s materials and courses are available in an open access or free format on company’s 207 YouTube channels (as at June 30, 2025), with an option for students to sign up for free or paid courses on its website or its mobile applications (“**apps**”). Among the top 5 test preparation companies in terms of revenue as of Fiscal 2024, Some of company’s paid test preparation courses focusing on Joint Entrance Examinations (“**JEE**”, an entrance exam of engineering colleges in India), National Eligibility cum Entrance Test (“**NEET**”, an entrance test for medical colleges in India) and civil service examinations such as Union Public Service Commission (“**UPSC**”) examinations, have the most

affordable prices in India as at July 2025. For example, company’s basic online “Batches” for JEE and NEET (company’s flagship offering), which includes “Arjuna JEE 3.0 2025”, “Prayas JEE 2025”, “Lakshya NEET 2025”, “Arjuna NEET 3.0 2025”, “Yakeen NEET Hindi 3.0 2025”, and “Lakshya JEE 2.0 2025”, each of which is a one-year batch, are offered at a price range of ₹2,199 to ₹4,800 per Batch. Open access to quality education content along with affordable pricing for company’s paid courses have helped company create brand affinity among students and encourage them to organically become company’s paid users.

Company started its operations by offering courses online and have expanded to multiple channels of delivery – online, offline and hybrid. This gives students the flexibility to choose their preferred mode of study. For the three months ended June 30, 2025 and Fiscal 2025, company had 2.10 million and 4.13 million Unique Transacting Users (Online Channel), and 0.33 million and 0.33 million student enrolments in company’s offline centers, respectively. Company operated 303 Total Offline Centers as at June 30, 2025, and its Total Offline Centres grew at a CAGR of 165.92% between Fiscals 2023 to 2025. Company aim to leverage its proprietary technology stack to provide content at scale, integrate new offerings successfully, and offer tech-backed tools to students and teachers for planning coursework, solving questions, grading tests, leading to efficient pedagogy.

OBJECTS OF OFFER

The Offer comprises the Fresh Issue and the Offer for Sale.
Fresh Issue
Company proposes to utilise the Net Proceeds from the Fresh Issue towards the following:

- Capital expenditure for fit-outs of new offline and hybrid centers of Company
- Expenditure towards lease payments of existing identified offline and hybrid centers operated by Company.
- Investment in company’s Subsidiary, Xylem Learning Private Limited +
- Investment in company’s Subsidiary, Utkarsh Classes & Edutech Private Limited for expenditure towards lease payments for Utkarsh Classes’ existing identified offline centers
- Expenditure towards server and cloud related infrastructure costs
- Expenditure towards marketing initiatives
- Acquisition of additional shareholding in company’s Subsidiary, Utkarsh Classes & Edutech Private Limited
- Funding inorganic growth through unidentified
- acquisitions and general corporate purposes

RISKS

Company have incurred restated loss for the period/year of ₹ 1,270.09 million, ₹ 718.12 million, ₹2,432.58 million, ₹11,311.30 million and ₹840.75 million for the three months ended June 30, 2025 and June 30, 2024, and Fiscals 2025, 2024 and 2023, respectively, and have had negative net worth as at March 31, 2024 and negative EBITDA in Fiscal 2024 and the three months ended June 30, 2025. If company is unable to generate adequate revenue growth and manage company’s expenses and cash flows as company grow, it may continue to incur losses in the future, which may negatively affect company’s financial condition.

Source:RHP

Consolidated Financials

(Rs in Mn)

Financials	FY23	FY24	FY25	Q1FY26
Total Revenue (A)	37880.28	54277.03	66525.17	18944.55
Total Expenditure (B)	35242.43	47542.65	56770.19	15584.11
EBIDTA	2637.85	6734.38	9754.98	3360.44
EBIDTA Margin	6.96	12.41	14.66	17.74
Other Income	1399.46	1821.69	3567.59	516.46
Depreciation	4175.53	6722.40	7965.69	2371.31
EBIT	-138.22	1833.67	5356.88	1505.59
Interest	832.78	1229.89	1458.90	410.38
PBT	-971.00	603.78	3897.98	1095.21
Share of profit in Asso	-40.76	-12.47	-44.42	5.84
PBIT	-1011.76	591.31	3853.56	1101.05
Exceptional	0.00	0.00	0.00	103.86
PBT	-1011.76	591.31	3853.56	997.19
Tax	-374.19	691.85	880.16	385.46
PAT	-637.57	-100.54	2973.40	611.73
NPM	-1.68	-0.19	4.47	3.23
ROE%	-134.98	--	-12.50	-6.80
EPS	-0.38	-4.79	-0.86	-0.46
Eq Cap	152.86	154.18	1,543.37	1,543.37
Net Worth	54,738.07	56,492.86	60,987.34	62,157.86

(Source: RHP)

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