

## PHYSICSWALLAH LTD

11-11-2025 TO 13-11-2025

Industry: Edtech

Price Band: ₹ 103 – 109

Recommendation: Subscribe for long term

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

### Key Data

Issue Size (₹ Cr)	3,480
Fresh (₹)	3,100
OFS (₹)	380
No. of shares offered	28,44,03,669
Face Value (₹ /share)	1
Bid Lot	137

### About the Company

PhysicsWallah Ltd (PhysicsWallah) is India's largest edtech platform by student community, with its main YouTube channel boasting ~1.37 crore subscribers as of July 2025. The company offers test prep courses for JEE, NEET, UPSC, and other exams through online, offline, and hybrid models, operating 112 Vidyaapeeth centers, 78 Pathshala centers (54 franchised), and 47 other centers. Supported by 6,267 faculty and content staff, PhysicsWallah has published 4,382 books, developed over 0.87 crore-question banks, and delivers courses in seven languages.

### Investment Rationales

**1) Having 0.45 crore total number of paid users in Fiscal 2025, which grew at a CAGR of 59.19% between Fiscals 2023 and 2025, driven by a student community-led approach:** PhysicsWallah had 0.45 crore paid users, in FY 2025, reflecting a strong CAGR of 59.2% between FY2023 and FY2025. As of June 30, 2025, the company operated 207 active YouTube channels with a total subscriber base of 9.88 crore, growing at a robust CAGR of 41.8% over the same period.

**2) Presence across 13 education categories in India with courses offered through multiple channels:** PhysicsWallah offered courses across 13 education categories through online, offline and hybrid models—up from 6 in FY2023. It operates India's largest online student community, with its main YouTube channel boasting ~1.37 crore subscribers, and has rapidly expanded to 303 offline centers, growing at a remarkable CAGR of 165.9% between FY2023 and FY2025.

**3) The proprietary technology stack enhances students' learning experience:** Company had a 548-member tech and product team supporting its scalable LMS platform designed to enhance learning quality and student experience, as of June 30, 2025. Its AI-powered tool "AI Sahayak" offers personalized goal setting and progress tracking for students, while "TeacherX" and "PW Drona" empower educators with tools for live sessions, performance monitoring, and syllabus management.

**4) Their ecosystem generates network effects driven by their community-based approach:** Company follows an open-access model, offering free content across YouTube, social media, and its app to build strong brand affinity and attract students into its paid ecosystem. Its integrated online-offline model creates a self-sustaining loop—online channels drive reach and engagement, feeding students into offline and hybrid centers, while offline centers reinforce trust and learning outcomes. This synergy enables cross selling of adjacent offerings like Batch Infinity, Defence, Civil Services, and GATE courses, supporting scalable and holistic growth.

**5) Specialised faculty members across categories, quality content, and well-planned curriculum leading to successful results:** PhysicsWallah had 6,267 faculty members, including teachers, content developers, and doubt-solving experts, covering multiple disciplines, as of June 2025. The company has built a vast content library with 4,382 books and 0.87 crore-question banks, supported by its tech tool "NCERT Pitara," which enables self-paced learning through bite-sized video and content modules.

### Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	14-11-2025
Refunds/Unblocking ASBA Fund	17-11-2025
Credit of equity shares to DP A/c	17-11-2025
Trading commences	18-11-2025

### Shareholding (No. of shares)

Pre-Issue	2,60,79,56,938
Post Issue (Lower price band)	2,90,90,00,888
Post Issue (Higher price band)	2,89,24,25,475

### Shareholding Pattern

<b>Promoter:</b>	
Pre Issue	80.62%
Post Issue	71.48%
<b>Public - Others:</b>	
Pre Issue	19.38%
Post Issue	28.52%

### Issue Breakup

QIB	75%
NIB	15%
Retail	10%

### Other Details

**BRLMs:** Axis Capital, Kotak Mahindra Capital, J.P. Morgan India, Goldman Sachs

**Registrar:** MUFG Intime India Pvt. Ltd.

**Listing:** BSE & NSE

### Research Analyst

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### Risk

- 1) High competition industry.
- 2) Depends substantially on its faculties.
- 3) Subsidiaries like Xylem, Knowledge Planet and Utkarsh Classes are in losses.

### MView

We believe PhysicsWallah Ltd IPO brings investors an opportunity to invest in India's largest and fastest-growing Edtech platform, uniquely positioned across online, offline and hybrid learning models. We think with over 9.88 cr YouTube subscribers, 0.45 cr paid users, and 303 offline centers, the company has built a powerful ecosystem that combines accessibility, affordability, and quality education at scale. We also think its strong brand recall, tech-driven pedagogy and deep regional penetration give it a significant edge in India's rapidly expanding test prep and upskilling market. Supported by AI-enabled tools like AI Sahayak, TeacherX, and PW Drona, and a 6,200+ strong academic team, PhysicsWallah continues to enhance learning outcomes and scalability. By looking at the financials, the reported exceptional revenue growth of 160.7% in FY2024 and 48.7% in FY2025, though it remains loss making do to substantial investments in offline expansion and new business verticals. Hence, traditional valuation metrics such as P/E may not provide a fair assessment. On valuation parse at the upper price band of ₹ 109/-, the issue is asking for a Market cap of ₹ 31527/- cr. Based on FY2025 actuals, the company is valued at approx~10.4x market-cap-to-sales, and at around ~8.8x FY2026 annualised revenue, which appears aggressively priced. We believe open-access model, strong conversion funnel from free to paid users, and diversified offerings across 13 education categories and 7 languages offer significant long-term growth potential, given the vast ~30 crore addressable student base, of which only ~1.5% has been monetized so far. Considering its leadership position and large untapped market, we recommend only risk-tolerant investors to "SUBSCRIBE" to the PhysicsWallah Ltd IPO with a long-term perspective only.

## CONSOLIDATED FINANCIAL TABLES

### BASIC FINANCIAL DETAILS

Particulars ₹ (in Cr)	As At June 30		As at March' 31		
	2025 (03)	2024 (03)	2025 (12)	2024 (12)	2023 (12)
Equity Share Capital	218.63	6	218.39	6	6
Instruments Entirely Equity in Nature	834.45	830.27	834.35	-	-
Reserves	814.85	-116.34	892.52	-867.79	56.29
Net Worth	1867.92	719.92	1945.37	-861.79	62.29
Total Borrowing	1.55	64.99	0.03	1687.4	956.15
Revenue From Operations	847.09	635.2	2886.64	1940.71	744.32
Revenue Growth (%)	33.36%	-	48.74%	160.74%	-
Adjusted EBITDA	26.47	30.18	431.96	66.99	119.32
Adjusted EBITDA Margin (%)	3.13%	4.75%	14.96%	3.45%	16.03%
Net Profit/ (loss) for the Year	-127.01	-71.81	-243.26	-1131.13	-84.08
EPS - basic (₹)	-0.46	-0.24	-0.86	-4.79	-0.04
Net Asset Value (₹) as stated	7.19	-2.96	7.73	-3.97	0.29

Source: Company RHP



# MSEARCH

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### **Msearch's Recommendation (Absolute Performance)**

**Buy: > 20% within the next 12 Months**

**Accumulate: 5% to 20% within the next 12 Months**

**Sell : < -20% within the next 12 Months**

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