

Rating: NEUTRAL

Issue Offer

Fresh issue upto 28,44,03,670 equity shares and OFS upto 3,48,62,385 equity shares bringing the total issue size upto INR 34800Mn

Issue Summary

Price Band (INR)	103 - 109
Face Value (INR)	1
Implied Market Cap (INR Mn)	2,69,394
Market Lot	137
Issue Opens on	November 11, 2025
Issue Close on	November 13, 2025
No. of share pre-issue	2,18,71,05,588
No. of share post issue	2,47,15,09,258
Listing	NSE / BSE

Issue Break-up (%)

QIB Portion	≤75
NIB Portion	≥10
Retail Portion	≥15

Book Running Lead Managers

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)

Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	96.13%	83.65%
Public & Others	3.87%	16.35%

Objects of the issue

- Capital expenditure for fit-outs of new offline and hybrid centers of our Company
- Expenditure towards lease payments of existing identified offline and hybrid centers operated by our Company
- Expenditure towards marketing initiatives
- Expenditure towards server and cloud related infrastructure costs

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PhysicsWallah Limited (PW) is an education-technology company offering affordable learning across test preparation, K-12, and professional upskilling through a hybrid model of digital platforms and offline centers under the PW Vidyapeeth and PW Pathshala brands. Its offerings include live/recorded classes, books, study materials, mock tests, and doubt support for exams like JEE, NEET, UPSC, and state-level tests. PW has expanded through acquisitions such as Xylem Learning, Utkarsh Classes, iNeuron, and Knowledge Planet, enabling presence in India and select international markets. Headquartered in Noida, Uttar Pradesh, the company leverages strong content creation, a large student community, and affordable pricing to deliver accessible and quality education.

Investment Rationale

Strong Brand Equity with Affordable and Scalable EdTech Model

PhysicsWallah is one of India's most recognized education brands, built on high-quality teaching at disruptive pricing. Starting from a single YouTube channel, it has scaled into a multi-format learning ecosystem across online + hybrid + offline delivery. Its large, loyal student community, strong digital funnel, and proven teacher-led content model drive predictable enrolment and reduce acquisition cost versus peers.

Rapid Expansion into Hybrid Learning and Multi-Segment Presence

PW has expanded beyond test prep into K-12, skill development, and professional upskilling, supported by strategic acquisitions like Utkarsh Classes, iNeuron, and Xylem Learning. Its growing network of PW Vidyapeeth and PW Pathshala centers strengthens offline reach and cross-sell opportunities, while international subsidiaries (Middle East, Africa, Asia) help unlock new markets and revenue diversification.

Improving Financial Profile with High Operating Leverage

PW has demonstrated strong revenue growth and improving profitability backed by content reusability, centralized tech infrastructure, and a low-cost customer acquisition engine. Increasing offline enrollments and subscription revenues enhance visibility, while scalable unit economics and a diversified portfolio position the company for sustained cash flow generation as it transitions from high-growth to monetization mode.

Valuation & Outlook:

PhysicsWallah's IPO (INR 3,820 crore) comes at a time when the company is scaling rapidly, with revenues growing 50% YoY and crossing INR 2,886 crore in FY25. The business is EBITDA-positive, but continues to report a small net loss as it reinvests into tech, acquisitions, and expansion of offline centers. The IPO proceeds will fund growth, reduce dependence on internal cash, and improve financial flexibility. While execution risks exist particularly around integrating acquisitions and scaling hybrid centers -strong brand recall, low customer acquisition costs, and a large learner funnel support growth visibility. Overall, at this stage, PhysicsWallah is a revenue-growth and market-expansion play rather than a pure profitability valuation, making it suitable for investors with a long-term, high-growth mindset. At the upper band of INR 109, the issue is valued at Price to Sales of 10.92x - We are recommending a "NEUTRAL" rating for this issue.

Particulars (INR Mn)	FY23	FY24	FY25
Revenue from Operations	7,443.18	19,407.10	28,866.43
EBITDA	138.6	-8293.5	1,932.0
Margins (%)	1.86%	-42.73%	6.69%
Total Assets	20,821.76	24,807.40	41,563.81
Reserves & Surplus	-1876.5	-12547.4	4,670.6

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Stock Rating Scale**Absolute Return**

BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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