

Issue Highlights

Issue Open	November 11, 2025
Issue Close	November 13, 2025
Issue Price	Rs 103 - Rs 109 per share
Market Cap.	Rs 29,774 Cr - Rs 31,500 Cr
Total Issue Size	Rs 3,480 Cr
Of which	
Fresh Issue	Rs 3,100 Cr
Offer of Sale	Rs 380 Cr
Face Value	Rs 1 per share
Employee Discount	Rs 10 per share
Market Lot	137 Equity Shares
Issue Type	Book building IPO

Offer Structure

QIB Category	75%
Retail category	10%
Non-Institutional	15%

Lead Book Running Managers

- ⇒ Kotak Mahindra Capital Co.Ltd.
- ⇒ JP Morgan India Pvt.Ltd.
- ⇒ Goldman Sachs (India) Securities Pvt.Ltd.
- ⇒ Axis Capital Ltd.

Registrar To The Offer

- ⇒ MUFG Intime India Pvt.Ltd .

Research Analyst

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Key Highlights

- ❑ **Company background:** Physics Wallah, founded by Alakh Pandey on June 6, 2020, and incorporated in Prayagraj, Uttar Pradesh, is among India's top five edtech companies, offering affordable online, offline, and hybrid learning across 13 categories, including JEE, NEET, UPSC, K-12, and skill development. With 98.8 million YouTube subscribers as of June 30, 2025, 303 offline centers, and 6,267 faculty, it leverages AI-driven tools like "AI Guru" and "AI NCERT" to enhance learning outcomes, accessibility, and student engagement through technology-led and community-driven education models.
- ❑ **Market opportunity:** The education sector in India is positioned for substantial growth, driven by increasing government funding, digital transformation, and policy reforms such as NEP 2020. Despite facing challenges like high dropout rates, a low Gross Enrollment Ratio (GER), and rural infrastructure deficiencies, there are opportunities to improve access to affordable, quality education through hybrid and technology-enhanced models. The education market, projected to be worth ₹15-16 trillion in FY25, is expected to grow at around 10% CAGR, reaching ₹24-26 trillion by FY30, with demand led by Tier-II cities and beyond. Online education, which is growing at an estimated 26% CAGR, is changing the landscape of accessibility, affordability, and inclusivity through personalized and vernacular learning platforms.
- ❑ **Key strengths:** One of the primary strengths of Physics Wallah is its strong brand presence, along with being home to India's largest online student community, which includes 4.46 million paid users in FY25 (representing a 59% CAGR from FY23) and 98.8 million YouTube subscribers across 207 channels. The affordable courses for JEE, NEET, and UPSC make quality education more accessible, while its technology-driven and engaging pedagogical approach ensures personalized learning for 2.7 million daily active users. Additionally, it is supported by free content, a 4.6-rated application, and social initiatives like the PW Foundation's "Utthan" program, effectively merging scale, innovation, and social impact.
- ❑ **Key strategies:** Physics Wallah's key strategies revolve around enhancing student engagement through technology-driven, affordable, and interactive tools like AI NCERT and personalized study plans. The company aims to expand across K-12, test preparation, and skill development segments while strengthening its regional presence with multilingual content. It is also scaling its offline and hybrid centers, optimizing batch sizes, and introducing value-added and fintech services to improve efficiency, drive profitability, and ensure sustainable long-term growth in India's evolving education ecosystem.
- ❑ **Financials:** In FY25, Physics Wallah (PW) achieved strong financial growth, with revenue up 49% YoY to ₹2,886.6 crore, driven by hybrid learning and offline expansion. The paid user base rose to 4.46 million, growing at a 59% CAGR from FY23 to FY25. PW narrowed its net loss to ₹243 crore from ₹1,131 crore in FY24 and achieved a positive EBITDA margin of 6.7%, a major turnaround from (42.7%) the previous year, while continuing reinvestments for sustainable scaling.
- ❑ **Valuation:** Physics Wallah (PW) posted strong FY25 revenue of ₹2,886.6 crore, driven by rapid growth in hybrid learning and paid-user expansion. However, with an estimated valuation of ₹31,500 crore and a high P/S ratio of 10.7x, valuations remain steep. Despite improving margins and strong brand momentum, continued investments may limit near term profitability, leading to a Neutral outlook.
- ❑ **Key risks:** Physics Wallah faces risks from intense competition from large edtechs and offline institutes, rising customer acquisition and content costs, regulatory changes, reliance on digital platforms, and the challenge of maintaining growth while ensuring quality and engagement in both online and offline offerings.

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S. No.	Statement	Answer	
		Tick appropriate	
		Yes	No
	I/we or any of my/our relative has any financial interest in the subject company? [If answer is yes, nature of Interest is given below this table]		No
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SS..No.	Name(s) of RA.	Signatures of RA	Serial Question of question which the signing RA needs to make a separate declaration / answer	Yes	No.

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