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INITIATING COVERAGE
October 2026

Physicswallah (PWL IN)

Educational anomaly of Bharat

Rating: ACCUMULATE | CMP: INR 125 | TP: INR 141

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October 26, 2026

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Quick Pointers

- Brand led, low-CAC engine acts as a defensible moat
- Offline business to achieve EBITDA breakeven in FY27E

We initiate coverage on Physics Wallah (PWL IN) with 'ACCUMULATE' rating and SoTP-based TP of INR141 (online/offline business valued at 35x/15x Sep'28E pre-Ind AS EBITDA). Evolving from a single-teacher YouTube channel into a full-stack education platform, PWL IN is an anomaly in the Indian edtech market. Near-zero customer acquisition cost (CAC) framework (A&P spends at 9.1% of sales in FY26), network effect advantage arising from community-based ecosystem (320+ YouTube channels), affordable pricing model (online average collection per user or ACPU of INR3,509 over the last 4 years), and ability to leverage the large online user base in identifying demand hotspots for offline expansion have helped build a unique defensible moat. Driven by expansion into new categories like online K-12, early learning and upskilling, we expect revenue/pre-Ind AS EBITDA to log 25%/68% CAGR over FY26-29E. The stock trades at 35x/21x over our pre-Ind AS EBITDA (adjusting for ESOP cost) estimate for FY28E/FY29E. Initiate with 'ACCUMULATE' and TP of INR141.

Low CAC model to drive unit economics: Unlike peers that rely on aggressive paid marketing, PWL IN has built a pull-based acquisition engine (social media community of 142mn users and 89.4mn+ app downloads as of FY26) anchored by high-quality content and strong educator-led engagement. The funnel-led, freemium model acts as a perpetual discovery engine, resulting in organic conversions. The community growth model of conversions lowers A&P spends (9.4% of sales over the last 4 years) and CAC (INR4K odd in FY26), thereby improving unit economics (superior LTV/CAC ratio).

Affordable pricing model for 'Bharat': PWL IN's affordability-led model is a core structural driver of the scale advantage the business commands. In the core test preparation categories of JEE and NEET, PWL IN's course fees are at a material discount to peers (Exhibit 12 and 13). By effectively pricing education closer to a utility than a premium service, PWL IN is well positioned to capture a disproportionate share of the large, underpenetrated and fast-growing market, particularly across Tier 2 cities, where affordability remains the key determinant of access.

Data-led offline expansion to enhance monetization: PWL IN leverages its large online user base to identify demand hotspots and open offline centers, thereby significantly reducing the risk of underutilized capacity. This pull-based expansion strategy is in sharp contrast to the traditional offline model of building capacity ahead of demand. The offline segment also plays a critical role in enhancing monetization, given its ticket size is higher (~10-11x delta) than online offerings. Beyond monetization, offline presence enhances brand visibility, trust and student outcomes, particularly in markets where physical interaction remains an important driver of decision-making.

Key Data

PHYS.BO | PWL IN

BSE Code	544609
NSE Code	PWL
52-W High / Low	INR 162 / INR 77
Face Value	1
Sensex / Nifty	73,607 / 22,753
Market Cap	INR 363 bn / \$ 3,815 mn
Shares Outstanding	2908.67 mn
3M Avg. Daily Value	INR 1,658.76 mn

Shareholding Pattern (%)

Promoters	71.17
FIs	10.68
Mutual Funds	7
Domestic Institutions	7.89
Public & Others	3.27
Promoter's Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	(7.1)	(2.5)	14.3	-
Relative	(6.7)	0.7	19.0	-

Key Financials - Consolidated

Y/e Mar	FY26	FY27E	FY28E	FY29E
Sales (INR mn)	38,995	49,789	62,854	76,402
EBITDA (INR mn)	3,808	7,163	11,741	16,856
Margin (%)	9.8	14.4	18.7	22.1
PAT (INR mn)	409	3,245	6,463	10,302
EV (INR mn)	3,33,991	3,32,421	3,21,468	3,07,383
Total Debt (INR mn)	10,521	11,426	12,484	13,699
C&C Eq. (INR mn)	11,262	18,743	30,754	46,055
EPS (INR)	0.1	1.1	2.2	3.6
Gr. (%)	NA	NA	99.2	59.4
DPS (INR)	-	-	-	-
Yield (%)	-	-	-	-
RoE (%)	1.4	6.9	12.5	17.1
RoCE (%)	NA	4.6	10.7	16.2
EV/Sales (x)	8.6	6.7	5.1	4.0
EV/EBITDA (x)	87.7	46.4	27.4	18.2
PE (x)	874.0	111.6	56.0	35.1
P/BV (x)	7.9	7.5	6.6	5.5

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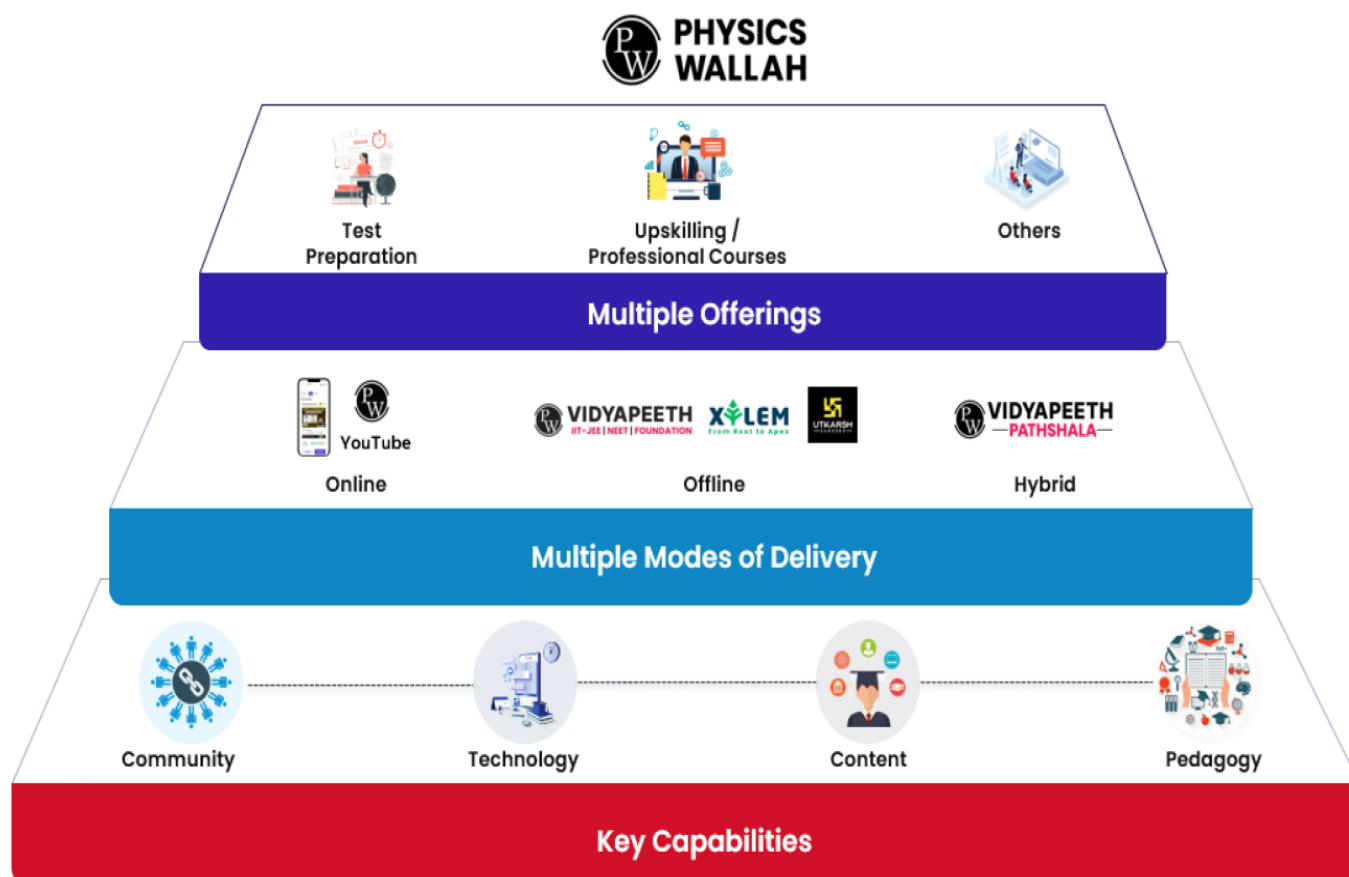
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Company Overview

Founded in 2020, Physics Wallah Ltd (PWL IN) has scaled rapidly from a content-led YouTube channel into a full-stack, omnichannel education platform, focused on delivering affordable learning at scale. The business has transitioned from being an purely online test-prep offering to an integrated ecosystem spanning online, offline and hybrid formats, thus catering to a wide spectrum of students across geographies and exam categories.

As of FY26, number of unique transacting users stood at 4.87mn, while the offline footprint was at 353 centers supported by a calibrated, hyperlocal strategy that leverages existing online demand to ensure better unit economics. The offline presence is anchored through PW Vidyapeeth (classroom model), PW Pathshala (hybrid 2-teacher model), along with category-specific centers across government, CA and IAS exams.

Exhibit 1: PWL IN is omnipresent across multiple education categories



Source: Company, PL

From a product standpoint, PWL IN has diversified beyond core JEE/NEET offerings into a broad portfolio spanning 16 categories and 40+ exams, including government exams, commerce, GATE, MBA and law entrance exams. Category share of JEE/NEET in total enrollments has declined from 54.2% in FY23 to 28.8% in FY26, reflecting increasing contribution from newer categories and reducing concentration risk.

PWL IN's value proposition is anchored in affordability, which has enabled strong mass-market adoption, particularly in Tier 2–3 cities. Online ACPU stood at INR4,104 in FY26 (+11.4% YoY), while offline ARPU was INR36,625 (-9.4% YoY), with the latter seeing moderation due to a higher mix of short-duration courses. This pricing strategy, combined with a strong educator-led brand, has supported high conversion and retention, while keeping CAC low through a largely organic funnel.

Exhibit 2: Snapshot of PWL IN's key operational metrics

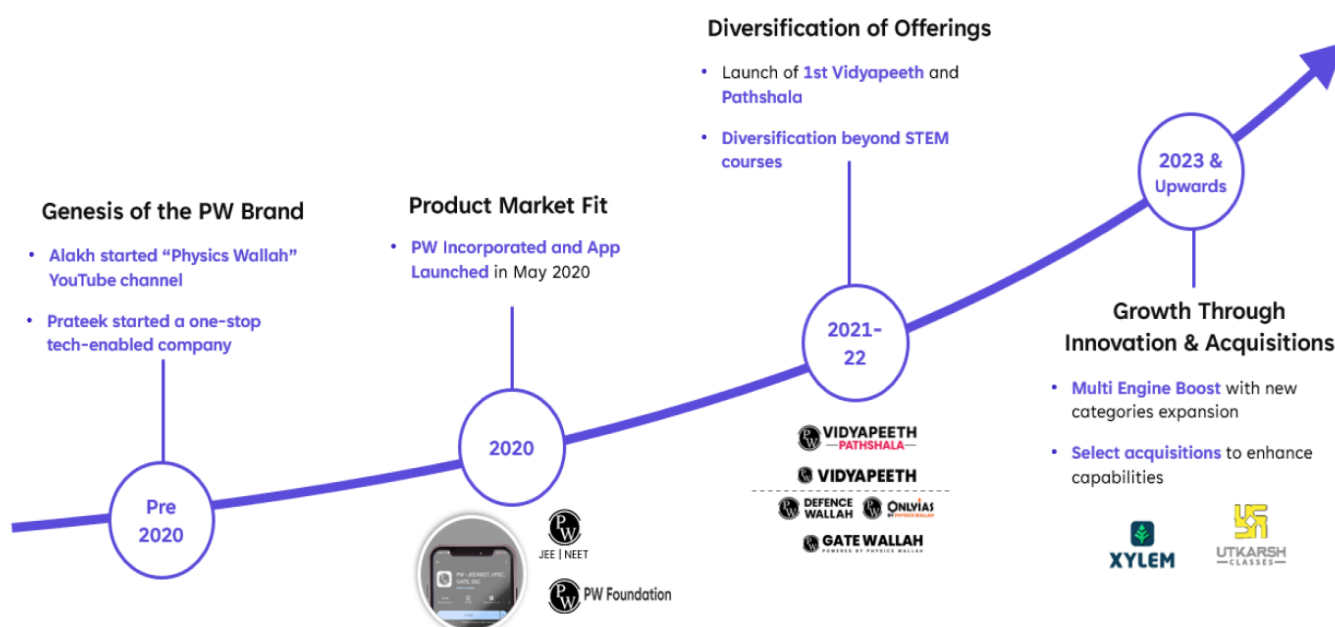
Particulars	FY23	FY24	FY25	FY26
Total employees	7,253	12,956	15,775	18,977
Total faculty members	2,436	3,654	5,096	6,837
Faculty members – Employees	2,292	2,850	4,207	5,693
Faculty members – Consultants	144	804	889	1144
Education categories	6	13	13	16
Total no. of paid users (mn)	1.76	3.63	4.46	5.34
Number of unique transacting users – Online channel (mn)	1.68	3.40	4.13	4.87
ACPU - Online channel (INR)	3,107	3,142	3,683	4,104
No. of offline enrollments (mn)	0.08	0.23	0.33	0.47
ARPU – Offline channel (INR)	34,467	39,597	40,405	36,625
Total offline centers	28	126	198	353
PW Vidyapeeth centers	7	47	79	139
PW Pathshala centers	21	20	47	84
PW other centers	-	7	19	62
Total subsidiary centers	-	52	53	68

Source: Company, PL

PWL IN is expanding into multiple adjacencies to drive the next phase of growth. The State Board vertical, launched in Jun25, has scaled rapidly, recording ~0.25mn enrollments within the first year, while vernacular education initiatives have added ~0.14mn paid learners supported by strong digital presence. In parallel, PWL IN is building the K-12 platform, alongside investments in AI-led products (AI Guru, AI Grader, Ask AI) and new initiatives such as PW Talks. These initiatives are aimed at increasing lifetime value per student and transitioning from a test-prep platform to a full-stack education provider.

Overall, PWL IN's evolution reflects a clear shift from a single-category, digital-first offering to a diversified, omnichannel education platform with multiple growth levers. Strong brand, cost-efficient model and category expansion positions PWL IN well to capture the large, underpenetrated education opportunity in India.

Exhibit 3: PWL IN's evolution journey as an edtech giant



Source: Company, PL

Exhibit 4: Key events and milestones of PWL IN

CY	Milestones
2020	Incorporation of Physics Wallah
	Launched the digital e-learning app on Google Play Store
	Launched courses for JEE and NEET preparation
2021	Launched the first Pathshala center in New Delhi
	Commenced business of publication and sale of study material books
2022	Launched the first Vidyapeeth center in Kota, Rajasthan
	Launched first Physics Wallah National Scholarship Admission Test, operated in online and offline formats
	Launched the digital e-learning app on iOS
	Launched the website pw.live
2023	Acquired the subsidiaries: Xylem Learning Pvt Ltd and Utkarsh Classes & Edutech Pvt Ltd
2024	Launched 'AI Guru', an AI-backed tool that provides personalized support to students for queries in the form of text, image and audio responses
2025	MoU signed with an association to provide educational support to the families of Central Reserve Police Force personnel.
	Partnered with Yashwantrao Chavan Maharashtra Open University to offer regular online classes and real-time doubt resolution facilities to students
2026	Expanded its network to 318 centers by Dec'25, comprising 122 Vidyapeeth, 75 Pathshala, 53 other PWL IN centres and 68 subsidiary centers

Source: Company, PL

Investment Arguments

Brand-led, low-CAC engine driving superior unit economics

PWL IN's growth strategy is a reflection of its differentiated, content-led and community-driven acquisition model, enabling it to scale users at structurally lower CAC compared to both traditional coaching players and VC-funded edtech platforms. Unlike peers that have historically relied on aggressive paid marketing and discounting-led growth, PWL IN has built a pull-based engine anchored by high-quality content, strong educator-led engagement, and a deeply embedded digital community across platforms such as YouTube, social media and proprietary app ecosystem.

The number of unique transacting online users increased to 4.87mn in FY26 (43% CAGR over the last 3 years), driven by organic conversions from its free content funnel (social media community of 142mn users and app downloads of 89.4mn+ as of FY26). Engagement metrics remain strong, with 4.03mn+ daily average users and ~97 minutes of average time spent as of 1QFY27, indicating high stickiness and reinforcing the platform's ability to convert active users into paying customers.

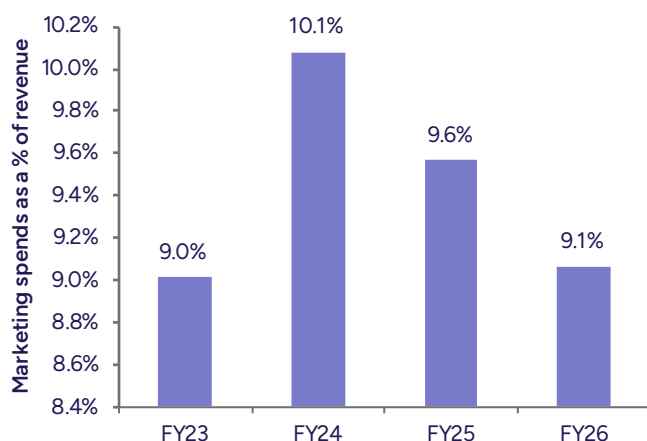
Exhibit 5: Engagement metrics of PW app

Particulars	H1FY26	9MFY26	FY26	Q1FY27
App downloads	78mn+	83mn+	89.4mn+	97mn+
Daily average users	3.5mn+	3.4mn+	3.3mn+	4.03mn+
Engagement time	103min+	106min+	104+min	97+min
Social media community	125mn+	134mn+	142mn	NA

Source: Company, PL

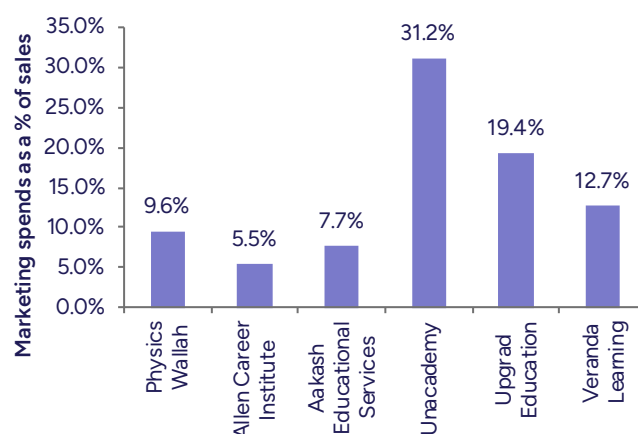
Importantly, the platform operates at a highly competitive pricing (over the last 4 years, online ACPU has averaged INR3,509) and does not rely heavily on A&P spends, thus enabling rapid expansion at negligible CAC. The clearest validation of this model is visible in PWL IN's marketing intensity, which remains significantly lower than most edtech peers. Its A&P spends have remained stable at 9–10% of sales over the last 4 years, compared to materially higher levels for peers such as Unacademy (~31.2%), Upgrad (~22.9%) and Veranda Learning (~19.4%), as per industry data as of FY25.

Exhibit 6: Marketing expense constituted 9.1% of sales in FY26



Source: Company, PL

Exhibit 7: Marketing spends of PWL IN is on the lower end among peers



Source: Company, MCA, PL Note: All data is as of FY25 to enable like-to-like comparison (FY26 data for unlisted peers is not published)

Exhibit 8: CAC snapshot of PWL IN

Particulars	FY24	FY25	FY26
A&P expenses (INR mn)	1,957	2,762	3,536
No. of incremental paid users (mn)	1.87	0.83	0.88
CAC (INR)	1,046	3,328	4,018

Source: Company, PL Note: Online CAC is near zero. Blended CAC is at INR4K as offline business is expanding.

This advantage of low CAC is rooted in PWL IN's community-led growth flywheel, wherein free, high-quality content attracts a large base of engaged learners, which in turn drives organic referrals and peer-led adoption. The industry has increasingly transitioned from a push-based model (paid acquisition) to a pull-based model (content and trust-driven), particularly in test preparation, where peer influence and educator credibility play a critical role. PWL IN's early focus on building a highly engaged learner ecosystem provides it an early mover advantage over peers.

Over time, this model is expected to strengthen further as scale improves, creating a self-reinforcing flywheel, wherein increasing user engagement enhances brand visibility, further lowering incremental CAC. Amid growing digital footprint with 89.4mn app downloads and social media community of 142mn users, PWL IN continues to deepen this advantage.

Crucially, the platform is highly scalable across new initiatives. As PWL IN expands into State Boards (~0.25mn enrollments), vernacular offerings (~0.14mn paid learners) and K-12, the ability to leverage an existing organic funnel provides a significant competitive edge, enabling faster scale-up with limited incremental acquisition costs thereby improving lifetime value per user.

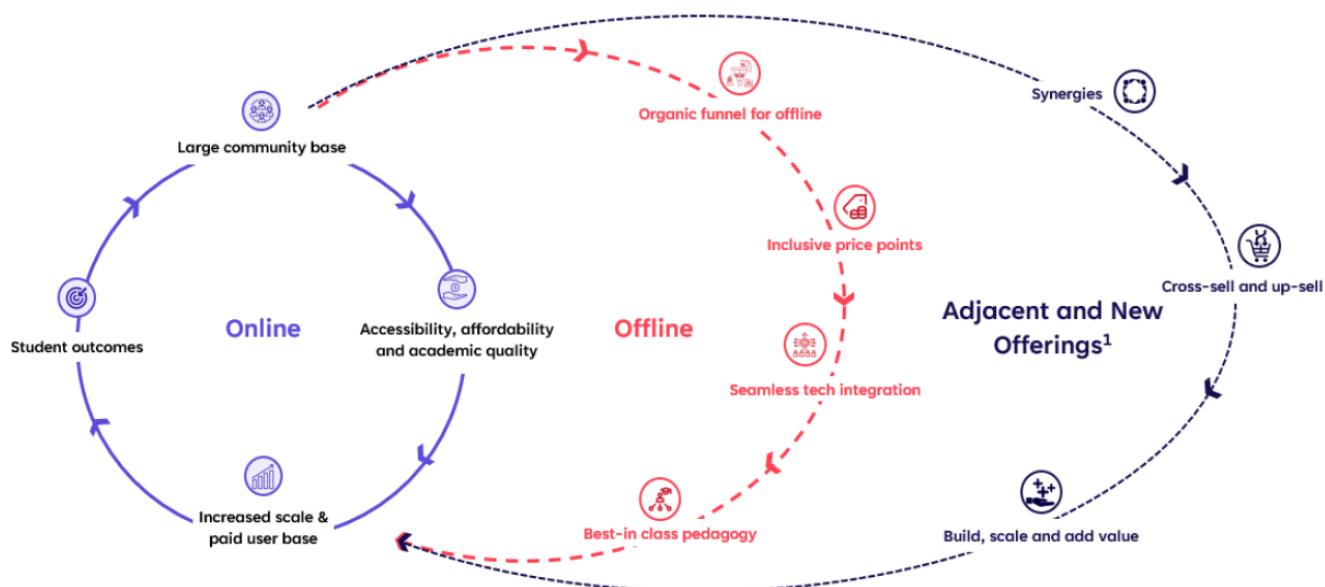
Overall, PWL IN's brand-led, low CAC model not only yields superior unit economics (LTV/CAC ratio) but also acts as a defensible moat.

Network effect of online business lends scalability

PWL IN's online platform has evolved from a single-teacher YouTube channel into one of India's largest and most capital-efficient business model within a short span of time. PWL IN's journey began in 2014 with free content distribution, before transitioning itself into a structured platform with the launch of its app in 2020. Early focus on content and accessibility helped build a large, engaged learner base even before monetization began, laying the foundation for rapid expansion in future.

At the heart of this scale is a funnel-led, freemium model, wherein free content across 320+ YouTube channels acts as a perpetual discovery and engagement engine, driving traffic to the platform and enabling conversion into paid users through structured online batches. This model creates a self-reinforcing network effect, where increasing content consumption improves reach and engagement, which in turn enhances conversions and brand recall, further strengthening the funnel.

Exhibit 9: Network effect lends scalability to the business model

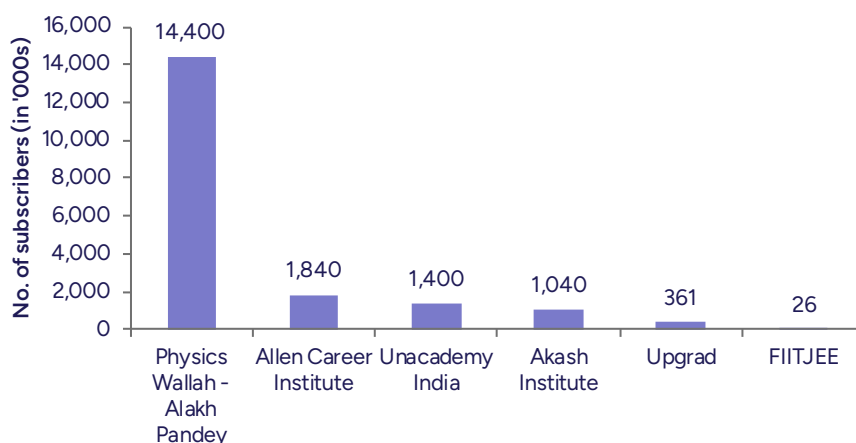


Source: Company, PL

This architecture has enabled PWL IN to scale significantly faster than traditional edtech peers. Unlike offline models that require years of physical infrastructure build-out, or digital peers that relied heavily on paid acquisition, PWL IN leveraged the content engine to build scale with near-zero CAC, enabling it to expand rapidly across geographies and categories without proportionate increase in cost.

A key driver of rapid scalability has been the platform's asset-light nature, wherein a single tutor or central teaching infrastructure can reach hundreds of thousands of students simultaneously (online student-teacher ratio for PWL IN is ~10,000:1), unlike offline formats constrained by classroom capacity. This enables PWL IN to operate a low-ticket, high-volume model, keeping pricing affordable (average ACPU of INR3,509 over the last 4 years) and helping deliver strong operating leverage.

Exhibit 10: PWL IN has the highest no. of subscribers on YouTube channel amongst peers (as of Sep'26)



Source: Company, PL, YouTube

Importantly, this digital-first architecture significantly reduces time-to-market for new education categories. While launching a new offline vertical requires significant lead time for hiring faculty and building infrastructure, PWL IN can introduce new courses online within weeks. This has enabled the company to expand from core JEE/NEET into 40+ exam categories, with strong traction in newer categories such as civil services, commerce and state board exams.

The online business is a high-margin, cash-generating engine, benefiting from strong operating leverage and upfront subscription revenues. Thus, the online business functions as the primary funding engine for the company's broader ecosystem build-out.

Exhibit 11: Profitability hierarchy of the online categories

High Profitability	Path to Higher Profitability	Growth investments – Large Opportunity
Mature, consistent contributors to profitability, giving PWL IN the headroom to keep investing in content and faculty while still delivering healthy returns	Already contributing positively to the bottom line with room to improve as PWL IN scales	Enrollment scaling faster than near-term profitability as PWL IN builds market position. PWL IN expects same profitability trajectory in newer categories as seen in its mature categories
NEET, CA, Commerce, JEE, MBA, Board + CUET	GATE, UPSC, State PSCs, Foundation, Govt Exams, State Boards	NEET PG, Skills, Curious Jr, Vernacular

Source: Company, PL

Affordability-led model driving penetration, scale and operating leverage

PWL IN's affordability-led model is a core structural driver of the scale advantage the business commands, with pricing designed not to compete within the traditional coaching ecosystem but to expand the addressable market itself. The company's course pricing across key categories like JEE and NEET is materially lower than peers as highlighted in exhibits 12 and 13 below.

Exhibit 12: Select online & offline JEE coaching institutes & their fee structure

Institute	Online price range (INR)	Offline classroom price range (INR)
Physics Wallah	2,499 - 5,000	90,000 - 1,50,000
ALLEN Career Institute	23,650 - 50,000+	1,20,000 - 2,00,000
Aakash	3,000 - 45,000+	1,00,000 - 2,00,000
FIITJEE	1,80,000 - 3,00,000+	1,30,000 - 2,50,000
Resonance	30,000 - 70,000	1,00,000 - 2,70,000
Motion Education	15,000 - 45,000	90,000 - 1,80,000
Sri Chaitanya	25,000 - 60,000	1,00,000 - 2,00,000

Source: Market research, Company, PL; Note: Prices vary significantly depending upon course duration, nature of student (repeater/fresher/scholarship) and location. Thus, comparison should be seen in that context.

Exhibit 13: Select online & offline NEET coaching institutes & their fee structure

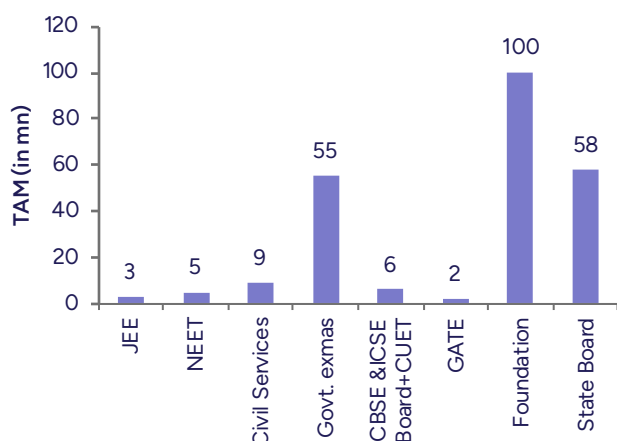
Institute	Online price range (INR)	Offline classroom price range (INR)
Physics Wallah	3,000–10,000	60,000–1,10,000
Vedantu	10,000–50,000	80,000–1,30,000
ALLEN Career Institute	52,000–75,000	1,50,000–2,50,000
Unacademy	20,000–60,000	90,000–1,50,000
Aakash	5,000–1,40,000	1,50,000–2,40,000

Source: Market research, Company, PL; Note: Prices vary significantly depending upon course duration, nature of student (repeater/fresher/scholarship) and location. Thus, comparison should be seen in that context.

This pricing differential is not incidental but aligned to India's income distribution, where only ~13% of the population earns above INR1mn annually, while ~66% lies within the INR0.15–1.0mn bracket, a segment historically underserved by high-cost coaching models. By offering free content through its YouTube ecosystem and low-cost entry-level courses, alongside core courses and premium layers, PWL IN has built a full-stack pricing architecture that allows it to cater across the income pyramid while maintaining a strong conversion funnel.

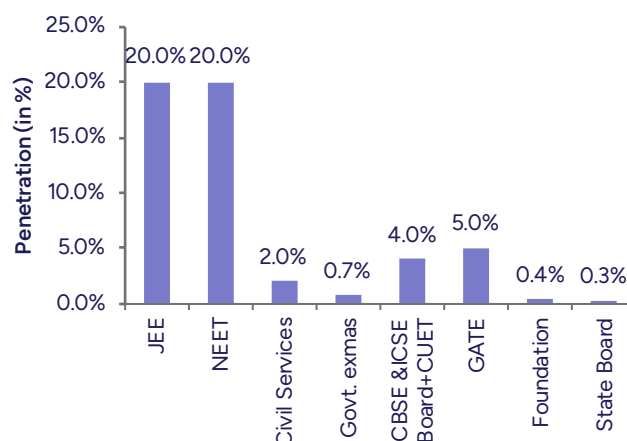
We believe affordability is not dilutive to monetization but instead acts as a volume-driven growth accelerator. This becomes more compelling when viewed against the underlying opportunity (exhibit 14 and 15), highlighting that PWL IN's pricing strategy is effectively unlocking latent demand.

Exhibit 14: TAM across major education categories



Source: Company, PL

Exhibit 15: PWL IN's penetration across key education categories



Source: Company, PL

Importantly, PWL IN's near-zero CAC framework and network effect lend sustainability to the affordable pricing model. The company benefits from a student-led community model where higher enrollments drive better outcomes and engagement, thereby increasing adoption and scale. This enables optimization of batch sizes, standardization of delivery and reduced dependence on incremental faculty through technology tools, thereby lowering per-student costs. As scale increases, costs decline, helping PWL IN to maintain competitive pricing while expanding margins, creating a reinforcing loop of scale → lower cost → affordability → higher adoption → further scale.

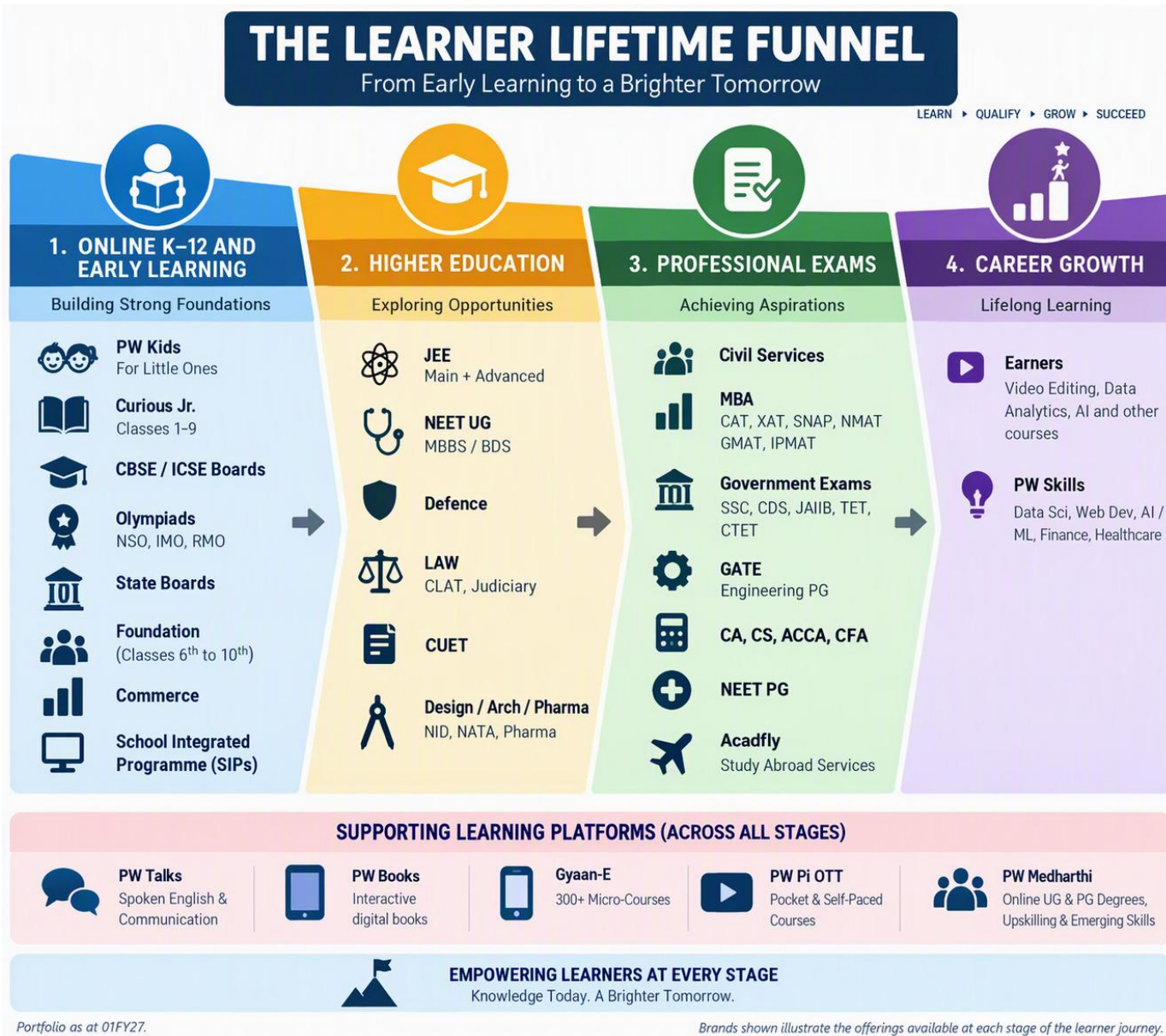
On the other hand, introduction of bundled offerings such as *Batch Infinity* and *Batch Infinity Pro* aids monetization by enabling upselling of value-added services. PWL IN's pricing model combines affordability with monetization through a layered pricing structure, where freemium model drives initial conversion and subsequent premium offerings expand ARPU. While core pricing remains accessible, incremental monetization is driven through add-ons such as AI tools, test series and mentorship programs, supporting ARPU expansion, while base pricing increases remain modest. This ensures that affordability continues to drive adoption, while monetization improves over time.

PWL IN's affordability-led strategy is not a trade-off between growth and profitability but a structural advantage that enables the company to expand market, scale rapidly and sustain operating leverage. By effectively pricing education closer to a utility than a premium service, PWL IN has positioned itself to capture a disproportionate share of the large, underpenetrated and fast-growing education market, particularly across Tier 2 cities, where affordability remains the key determinant of access.

Built to scale: From core test prep to full-stack platform

PWL IN's transition from a JEE/NEET centric platform into a multi-category education ecosystem is a deliberate attempt to expand beyond the core segment and reduce dependence on a limited set of examinations. PWL IN has expanded from less than 10 education categories in FY23 to 40+ categories as of FY26, spanning test preparation, K-12 supplemental learning, higher education and upskilling, with offerings across JEE, NEET, civil services and government exams, GATE, CUET, CA, MBA entrance exams, commerce and upskilling. This enables PWL IN to participate across a student's entire learning lifecycle, right from early foundation to competitive examinations and post-education skill development, materially expanding the addressable market.

Exhibit 16: Learner lifetime funnel of PWL IN



Source: Company, PL

While JEE and NEET continue to remain important anchor categories (together accounted for 28.8% of total user base as of FY26), incremental growth is being driven by segments such as civil services, foundation, government and commerce exams and newer verticals, including state boards and skills, indicating that the platform is successfully scaling beyond its original focus areas. This shift is critical as it reduces concentration risk associated with exam cycles while broadening the growth base across multiple categories.

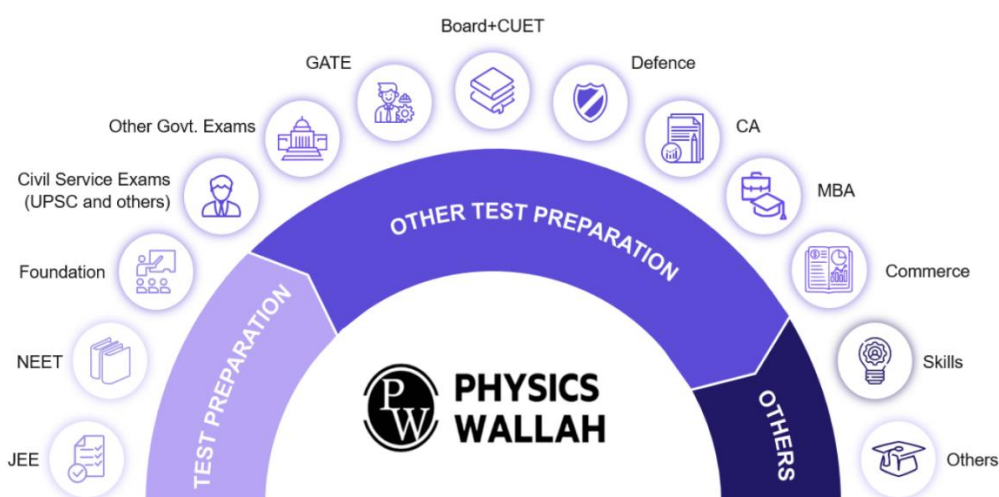
Exhibit 17: PWL IN's enrolment mix (as % of total user base from FY23 to FY29E)

Particulars	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
JEE	21.0%	13.5%	11.8%	11.3%	10.8%	10.5%	10.4%
NEET	33.2%	22.7%	19.1%	17.5%	16.1%	14.8%	14.2%
Board and CUET	0.0%	2.1%	4.0%	5.5%	7.0%	8.7%	10.6%
CA	0.0%	1.1%	1.0%	1.3%	1.7%	2.1%	2.6%
Civil Services Examinations	2.5%	2.6%	3.0%	5.1%	4.9%	4.4%	4.2%
Commerce	0.0%	0.8%	1.1%	1.4%	1.7%	2.1%	2.6%
Defence	0.0%	2.1%	2.0%	1.8%	1.6%	1.5%	1.5%
Foundation	9.4%	9.7%	10.9%	13.2%	16.5%	18.2%	16.4%
GATE	1.6%	1.5%	1.5%	1.5%	1.5%	1.4%	1.5%
Other Government Examinations	0.0%	25.0%	19.1%	15.9%	13.2%	11.3%	10.0%
MBA	0.0%	0.7%	0.5%	0.5%	0.5%	0.5%	0.5%
Others	32.2%	17.7%	24.3%	22.9%	22.1%	21.9%	22.6%
Skills	0.0%	0.7%	0.5%	0.5%	0.5%	0.5%	0.5%
NEET PG	0.0%	0.0%	0.3%	0.5%	0.7%	0.9%	1.2%
Law	0.0%	0.0%	0.2%	0.3%	0.3%	0.3%	0.3%
IIT JAM & CSIR NET	0.0%	0.0%	0.7%	0.8%	0.9%	0.9%	0.9%
Total	100%	100%	100%	100%	100%	100%	100%

Source: Company, PL

The expansion is supported by PWL IN's underlying operating architecture, where offerings are designed and delivered at a 'batch' level. Each batch integrates curriculum, study plans, assignments, doubt-solving tools, mentorship and revision modules, ensuring standardized delivery across categories and channels. This modular structure also enables rapid replication of courses with limited incremental cost and significantly faster time-to-market compared to traditional players that depend on dedicated faculty and physical infrastructure. As a result, PWL IN has been able to scale to 40+ categories across multiple delivery channels (online, offline and hybrid) without proportionate increase in cost.

Exhibit 18: Breadth of offerings of PWL IN



Source: Company, PL

This breadth of offerings also differentiates PWL IN from most peers, as the latter remain focused on specific segments. Traditional coaching players such as ALLEN, Aakash and FIITJEE largely focus on test preparation, while players such as Upgrad and Eruditus focus on higher education and upskilling. In contrast, PWL IN operates across multiple segments of the education value chain, positioning it as a full-stack provider capable of addressing diverse student needs. This not only expands the addressable market but also enables the company to capture value across multiple stages of the student life cycle.

Exhibit 19: Segmental presence of key players in Indian education industry

Key players	Pre-K	K-12	Higher education	Test preparation	Upskilling
Physics Wallah	✗	✓	✓	✓	✓
Eruditus Executive Education	✗	✗	✓	✗	✓
ALLEN Career Institute	✗	✓	✗	✓	✗
Aakash Educational Services	✗	✓	✗	✓	✗
Unacademy	✗	✓	✗	✓	✓
Upgrad Education	✗	✗	✓	✓	✓
FIITJEE	✗	✓	✗	✓	✗
Veranda Learning Solutions	✗	✓	✓	✓	✓

Source: Company, PL

Beyond growth, the multi-category model materially enhances monetization by increasing lifetime value per user. PWL IN's platform allows students to engage across multiple stages of their academic journey, enabling cross-selling and repeat enrollments within the same ecosystem. A student may begin with foundation courses, opt for competitive exam preparation and subsequently for skill-based offerings, resulting in multiple monetization opportunities from a single user. This integrated journey improves retention while lowering CAC over time.

Exhibit 20: Snapshot of PWL IN's key brands across education categories

	Categories	Business Presence	Brands
Flagship Test Prep	JEE	✓ ✓	  
	NEET	✓ ✓	  
	Foundation	✓ ✓	  
Other Test Prep	Civil Service Exams (UPSC and Others)	✓ ✓	 
	Other Govt. Exam	✓ ✓	 
	GATE	✓	 
	Board + CUET	✓	  
	Defence	✓ ✓	
	CA	✓ ✓	 
	MBA	✓	 
	Commerce	✓	
	Skills	✓ ✓	 
Skills and Others	Others	✓ ✓	   

✓ ✓ Online + Offline ✓ Online

Source: Company, PL

We believe PWL IN's expansion across multiple education categories has transformed the business from a category-specific test preparation player into a scalable, full-stack platform, enabling it to diversify growth, and increase monetization per user.

Entry into state boards & vernacular categories to unlock structurally larger student base

PWL IN's entry into the State Board segment is a strategic move to tap into the largest and most underpenetrated layer of India's education ecosystem. Launched in Jun'25 across key states, including Rajasthan, Madhya Pradesh, Jharkhand, Bihar, Jammu & Kashmir, and Uttar Pradesh, the vertical has scaled rapidly (present across 10 states as of 1QFY27), reaching ~0.25mn enrollments within the first year, supported by strong organic adoption and localized execution.

This early traction was complemented by a growing organic ecosystem, with ~2.4mn subscribers across state board-focused YouTube channels and ~150k followers across Telegram and Instagram (as of 3QFY26), reflecting the ability to replicate its core trust-led, content-first acquisition model in a highly localized context. Unlike traditional expansion strategies, PWL IN has focused on building engagement before monetization, leveraging school outreach programs, classroom interactions, syllabus-aligned assessments and result-driven community initiatives to establish credibility at a regional level.

The State Board category is structurally attractive as it enables PWL IN to engage students early in their academic journey, particularly across Tier 2 and beyond markets where state board curriculum dominates and price sensitivity is high. This not only expands the company's addressable market but also creates a multi-year engagement funnel, where students can transition from school-level learning into foundation courses and subsequently into higher value test preparation and skill-based offerings, driving higher lifetime value per user.

The State Board segment represents a high-scale and low-penetration opportunity. With strong early traction, and the ability to drive long-duration engagement, this category is well positioned to emerge as a key growth driver, supporting both user expansion and long-term monetization.

Exhibit 21: TAM of state boards for select regions (mn)

State	TAM
Uttar Pradesh	~11
Bihar	~6
Rajasthan	~4
Madhya Pradesh	~3
Jharkhand	~1
Jammu & Kashmir	~1
Others (Punjab, CG, Uttarakhand, Himachal Pradesh)	~32
Total	~58

Source: Company, PL

PWL IN's hyperlocal strategy, which focuses on delivering content in native languages through region-specific educators, has also seen good reception. The company has already made significant progress in vernacular segment, adding ~0.14mn paid students across languages such as Marathi, Bangla, Gujarati, Kannada and Odia as of FY26. The vernacular strategy provides entry into non-Hindi speaking markets, enabling deeper penetration and business scaling at a faster pace.

Online K–12 platform drives early entry, sticky revenue and long-duration monetization

Expansion into the K–12 segment marks a strategic evolution of PWL IN into a full-stack education platform enabling the company to capture students in the early stages of their learning journey and build a long-duration engagement funnel. This move is particularly relevant given the scale and stability of the segment, with India's K–12 market accounting for ~52% of the overall education market, comprising ~1.4mn schools and ~250mn student enrollments. As the K-12 segment is growing at ~8% CAGR, it provides a significantly larger and more stable addressable opportunity compared to test preparation alone.

PWL IN has already begun building presence in this segment through initiatives such as *Curious Junior*, targeted at students from grades 1 to 9. This early-stage entry allows the company to engage with students well before competitive exam preparation begins, creating a multi-year monetization cycle (8–10 years), where students can transition from K–12 learning to foundation and eventually test preparation offerings within the same ecosystem. This structurally enhances lifetime value per user while improving retention and reducing acquisition costs.

In the past, PWL IN had allocated INR4,000mn of capital to expand the offline business of K-12. As part of this initiative, the company had acquired the underlying operating assets of Tender Hearts School, Ranchi, a CBSE-affiliated institution with ~5,400 students across 2 campuses. However, since then, the pivot has shifted toward online expansion in K-12 via a) integrated school partnerships (a capital-light model wherein PWL IN partners with schools to provide academic services), b) state boards, and c) Curious Jr. We believe owning/managing schools is capital intensive, requires management bandwidth and entails longer pay-back. Hence, a shift toward online expansion will not only preserve the asset light sanctity of the business but also eliminate concerns surrounding capital misallocation.

From clicks to classrooms: Data-led offline expansion to enhance market presence

PWL IN's expansion into offline and hybrid centers represents a natural extension of digital-first model, deepening monetization while maintaining a disciplined, data-driven approach to scaling physical infrastructure. Unlike traditional coaching players that expand through a push-based model, PWL IN leverages large online user base to identify demand hotspots, and then selects location with pre-validated student demand, thereby significantly reducing the risk of underutilized capacity.

This selective approach of geo targeting is reflected in rapid expansion of the offline network to 353 centers with 0.47mn offline enrollments as of FY26, operating under multiple formats including *PW Vidyapeeth* (flagship offline centers for JEE, NEET and Foundation), *PW Pathshala* (integrates online and offline learning for JEE, NEET and Foundation), *PW Others* (offline centers for categories like Defence, CA, Government Exams) and subsidiary centers (operated by Xylem, Utkarsh Classes, and Knowledge Planet). These centers cater to students who prefer physical or blended learning formats, complementing PWL IN's online offerings and expanding reach across different learner segments.

Exhibit 22: Snapshot of breakdown of offline centers and offline enrolments from FY23 to FY26

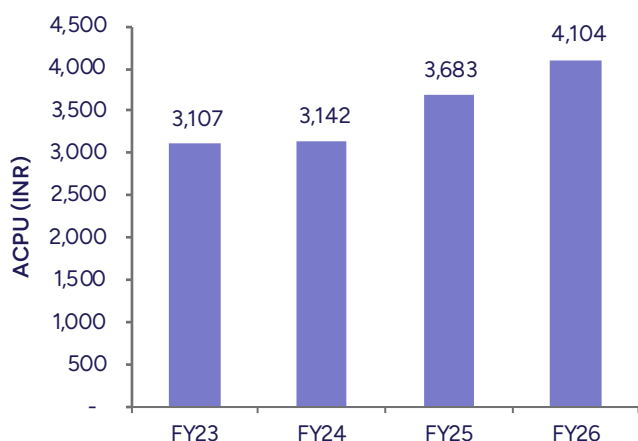
Particulars	FY23	FY24	FY25	FY26
Offline centers	28	126	198	353
PW Vidyapeeth Centers	7	47	79	139
PW Pathshala Centers	21	20	47	84
PW Other Centers	-	7	19	62
Total Subsidiaries Centers	-	52	53	68
No. of offline student enrolments (in mn)	0.08	0.23	0.33	0.47

Source: Company, PL

Rapid expansion of network and enrollments is supported by strong demand visibility emerging from the online channel (~80% of offline admissions happen through online leads). Given the strong online user base, PWL IN can identify high-density student clusters to open new centers. This pull-based expansion strategy contrasts sharply with the traditional model of building capacity ahead of demand.

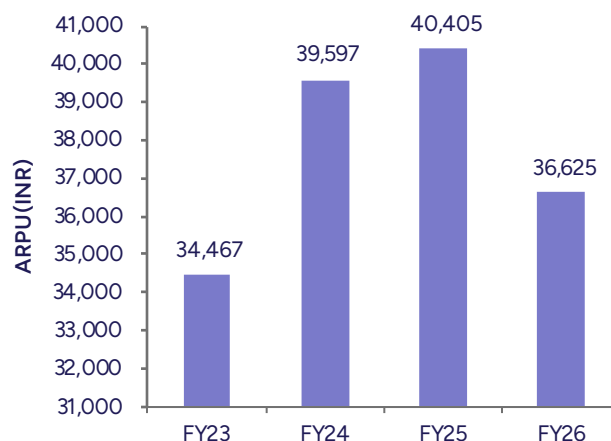
The offline segment also plays a critical role in enhancing monetization, given its ticket size is higher as compared to online offerings. While online courses are priced at ~INR3,509 (average of last 4 years), offline programs are priced at INR37,773 (average of last 4 years), providing a meaningful uplift in blended ARPU. This allows PWL IN to capture higher value students within the ecosystem, while continuing to use the online platform as a low-cost acquisition funnel.

Exhibit 23: ACPU stood at INR4,104 in FY26



Source: Company, PL

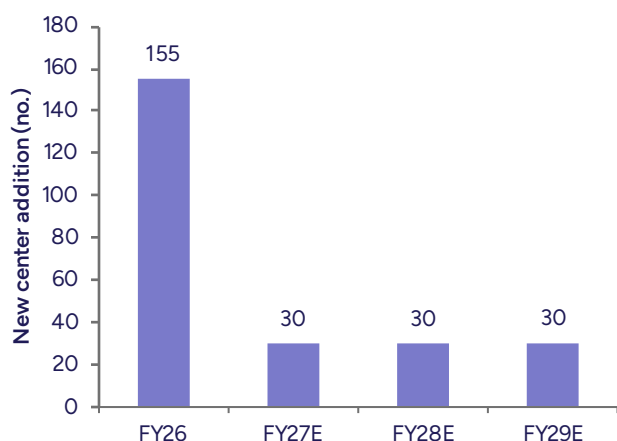
Exhibit 24: ARPU stood at INR36,625 in FY26



Source: Company, PL

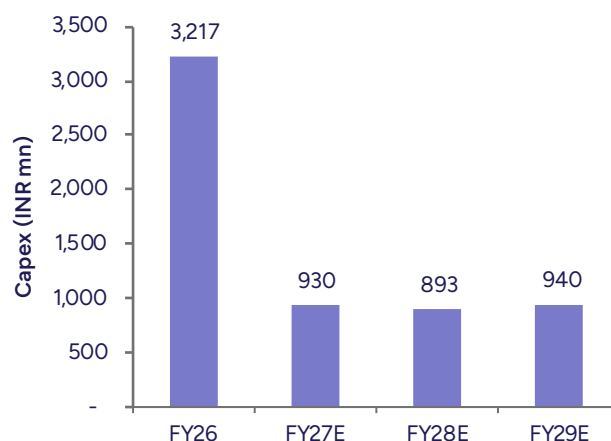
PWL IN has outlined a structured expansion plan, targeting addition of 25–30 new centers annually over the next 3–4 years. Average capex per center for PW Vidyapeeth/PW Pathshala/PW Others is ~INR25mn/~INR15mn/~INR15mn. Accordingly, we expect capex (including maintenance capex) of INR930mn/INR893mn/INR940mn in FY27E/FY28E/FY29E. The expansion plan is aligned with the broader strategy of increasing physical presence in high-demand regions, particularly across Tier 2 and beyond markets.

Exhibit 25: 30 new centers to be added annually over next 3-4 years



Source: Company, PL

Exhibit 26: Capex intensity to remain in INR900mn band over 3 years



Source: Company, PL

The online business is a high-margin, cash-generating engine, funding investments in offline expansion. Nonetheless, as centers mature over time and utilization improves, the offline segment is expected to achieve operating leverage, improving overall profitability.

Exhibit 27: Profitability journey of a typical PW Vidyapeeth center

Particulars	Year 1	Year 2	Year 3
Students (nos.)	1,500	2,000	3,500
Pre IND-AS EBITDA margin (%)	-6%	6%	13-15%

Source: Company, PL Note: Progression of EBITDA margin over the years is as per management guidance

The offline presence enhances brand visibility, trust and student outcomes, particularly in markets where physical interaction remains an important driver of decision-making. The hybrid model, combining online content with offline support, further strengthens engagement and improves conversion, creating a more integrated learning experience.

We believe PWL IN's offline expansion is not a deviation from its digital-first strategy, but a complementary growth lever, driven by data, supported by strong demand visibility and funded by a profitable online engine. By combining low-cost digital acquisition with high-value offline monetization, PWL IN is building a balanced, omni-channel model that enhances scale, improves unit economics and strengthens competitive positioning.

Building educators, not buying stars

One of the key differentiators of PWL IN's operating model is the ability to scale while reducing dependence on individual educators. Unlike traditional coaching institutes where enrollments are often concentrated around a handful of star faculty members, PWL IN has progressively institutionalized content delivery through a batch-centric architecture integrating curriculum, assessments, doubt resolution, mentorship and technology-enabled learning tools. As a result, the student value proposition is increasingly anchored around the overall learning ecosystem rather than any single educator.

PWL IN's acquisition funnel is also becoming increasingly brand led. With millions of learners across app ecosystem, regional channels, and offline centers, student acquisition is increasingly driven by the trust associated with the brand, rather than individual faculty followings. This reduces key-person risk while improving scalability across categories and geographies.

As of FY26, PWL IN had 6,837 faculty members: 5,693 employees and 1,144 consultants. Importantly, faculty members are not restricted to classroom teaching alone but are organized into specialized functions, including content development, doubt resolution, question paper setting, and live online teaching, creating an academic operating system rather than a teacher-led model. This structure is supported by a strong content repository allowing academic delivery to be standardized and replicated across categories and geographies.

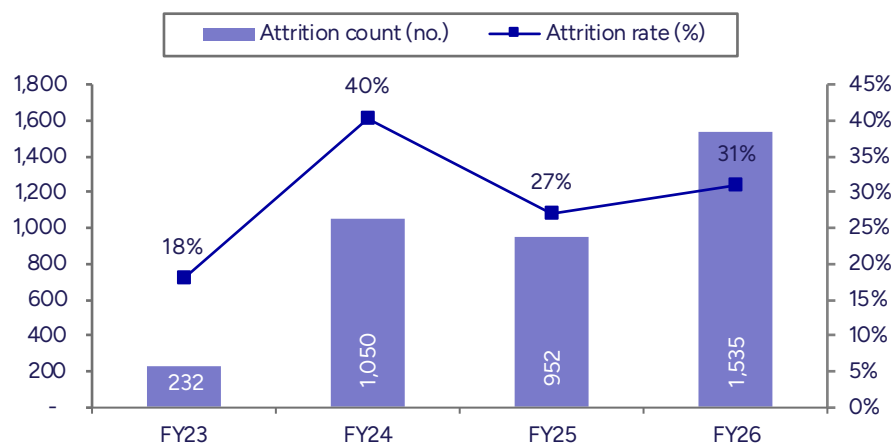
Exhibit 28: Paid users per faculty member at 781:1 in FY26

Particulars	FY23	FY24	FY25	FY26
Total paid users (nos.)	17,60,000	36,30,000	44,60,000	53,38,000
Total faculty members (nos.)	2,436	3,654	5,096	6,837
Student/Teacher ratio	722	993	875	781

Source: Company, PL

Despite scaling rapidly, PWL IN has demonstrated ability to manage faculty churn. Faculty attrition rate ranged at 18-31% over FY23-26 as compared to industry average of 25-35%. The attrition rate was 40.4% in FY24 as it marked the end of academic year of certain education categories that were launched in 2023 and for certain courses that were acquired through acquisitions. So, as the year ended, teachers in lower salary brackets left to pursue other opportunities. The faculty attrition ranges from 15-17%.

Exhibit 29: Attrition rate ranges in the band of 18-31% barring FY24



Source: Company, PL; Note: FY26 figure is based on the attrition rate taken from AR set for actuarial assumptions

Technology further reduces dependence on faculty members to a certain extent. For instance, AI-enabled tools such as AI Guru, Smart Doubt Engine, AI Sahayak, PW Drona and NCERT Pitara support content delivery, doubt resolution and student engagement, reducing dependence on faculty for student interaction.

We believe the combination of a large and diversified faculty base, standardized content architecture, structured faculty development programs and technology-led learning tools, reduces key-person dependency, improves scalability and creates a stronger foundation for expansion across new categories, geographies and delivery formats.

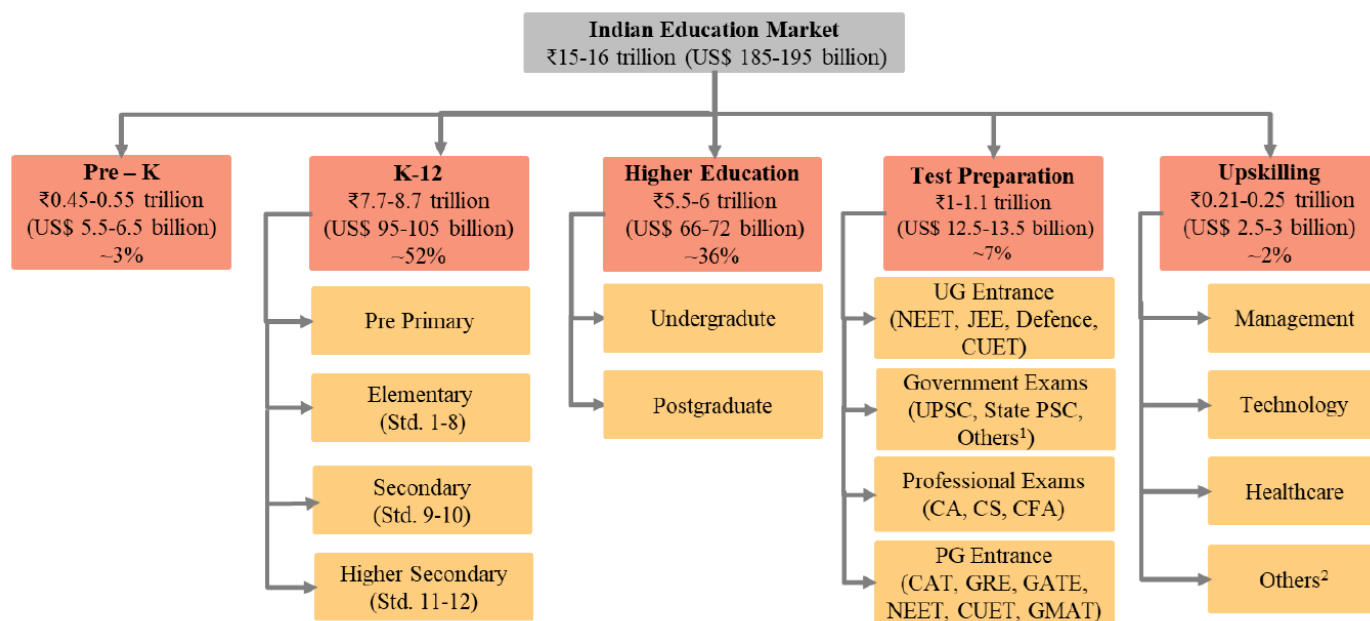
Industry Overview

India's education market represents a large and structurally resilient opportunity. The sector stood at an estimated INR15–16trn in FY25 (~US\$185–195bn) and accounted for ~5.0% of India's GDP. The market is expected to grow at ~10.0% CAGR to INR24–26trn by FY30E, driven by favorable demographics, rising enrollment levels and increasing prioritization of education across income segments.

Indian education ecosystem is diverse and consists of 5 key segments: pre-K, K-12, higher education, test preparation and upskilling. Among these, K-12 (~52.0%) and higher education (~36.0%) together form the backbone of the ecosystem, while segments such as test preparation and upskilling benefit from the progression of students through the formal education system. Over FY22–25, the market witnessed steady growth across segments, with test preparation and upskilling growing relatively faster (11.0% and 19.0% CAGR, respectively).

In parallel, the education sector is undergoing a structural transformation in delivery models. Online penetration, while still relatively low, has increased from ~2.0% in FY22 to ~4.0% in FY25 and is expected to reach ~7.0% by FY30E, supported by increasing internet access, affordability of digital learning, and emergence of hybrid models combining online scalability with offline engagement. This shift is expanding access to quality education beyond traditional coaching hubs and enabling broader participation across geographies.

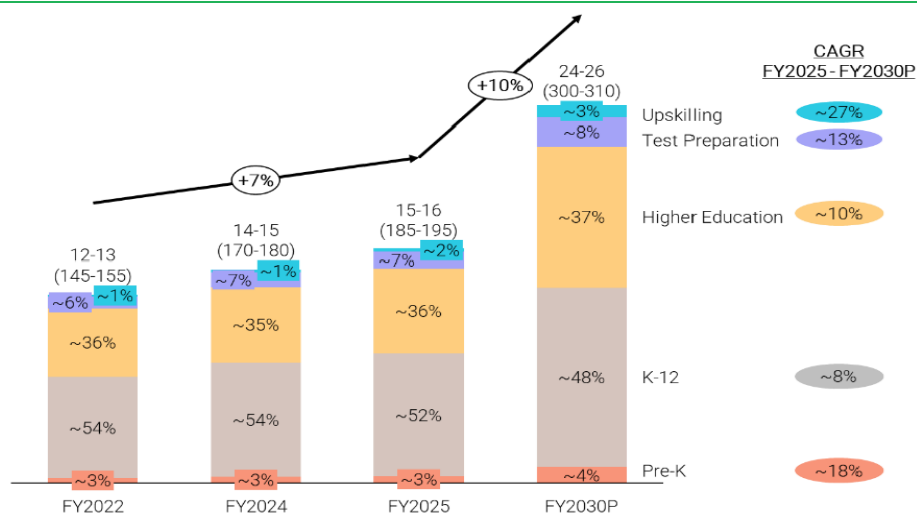
Exhibit 30: Indian education market by segment as of FY25



Source: Company, PL

Note: 1) Other government exams include banking, railways, SSC, etc.; 2) Others in upskilling category includes banking and financial services, social sciences, personal development, arts and humanities, etc.; 3) Conversion rate: US\$1 = INR83

Exhibit 31: Segmentation of India's education market INR trn (US\$ bn)



Source: UDISE, MoSPI, AISHE, NTA, Redseer, Company

Note: 1) Pre-K includes pre-primary sections in government and private schools, along with standalone and franchise pre-K schools; K-12 covers the supplemental market, including organized and unorganized tutoring for core curriculum across standards; upskilling includes online upskilling certification programs for white collar professionals (B2B and B2C segments) and students; 2) Conversion rate: US\$1 = INR83

Exhibit 32: Category-wise breakdown of Indian education market

Category	Sub-category	Brief Overview	Market Size - FY25	Market Size - FY30E	Number of students - FY25	Number of students - FY30E	Key factors driving growth
Pre-K	None	Prepares children under 4 years for formal schooling	INR450-550bn	INR1,000-1,200bn	11-13mn	20-22mn	NEP, increasing urbanization, growing disposable income
K-12	Core K-12	Schooling from KG to Class 12	INR6-7trn	INR9.5-10.5trn	250-280mn	290-320mn	Demographic advantage, government school growth, policy support, rising enrolments at secondary level
	Supplementary K-12	Coaching services for school students	INR1.5-1.6trn	INR2.2-2.3trn	70-75mn	78-85mn	Demographic advantage, government school growth, policy support, rising enrolments at secondary level
Higher Education	UG	Engineering, medicine, data science and AI	INR4.3-4.8trn	INR7.3-7.8trn	35-40mn	52-57mn	Government infrastructure, expansion of institutions in Tier 2-3 cities, proliferation of online degrees
	PG	MBA, MTech, MA, MSc, MCA	INR700-800bn	INR1,300-1,450bn	NA	NA	
Test preparation	Government test preparation	UPSC, state PCS, other government exams	UPSC INR80-95bn, PCS INR130-160bn, NEET INR120-140bn, JEE INR62-67bn, CUET INR55-75bn, NDA INR15-20bn	UPSC INR190-215bn, PCS INR280-315bn, NEET INR270-290bn, JEE INR115-135bn, CUET INR100-125bn, NDA INR33-38bn	UPSC 1.5-1.7mn, PCS 4-4.5mn	UPSC 2.5-2.7mn, PCS 5-5.6mn	Pathway to security & social status, growing aspirations, expansion of digital learning, policy push
	UG entrance	NEET, JEE, CUET, NDA exams			NEET, 2.3-2.5mn, JEE 1.4-1.6mn, CUET 1.5-1.7mn, NDA 1-1.2mn	NEET 4-4.4mn, JEE 2.3-2.5mn, CUET 2-2.2mn, NDA 1.9-2.1mn	High Rol from premier institutions, rising participation from tier 2 cities, expanding online test preparation platforms
	PG entrance	CAT, GATE, GRE, etc.	INR75-85bn	INR110-130bn	1.5-2mn	2-2.5mn	Rising demand for advanced degrees, globalization of education, better access to test prep resources, policy support for higher education
	Professional exams	CA, CFA, CS, etc.	INR20-30bn	INR50-60bn	0.5-0.7mn	0.9-1.2mn	Flexible career options, increasing demand for compliance, global recognition of certifications
Upskilling	White collar professionals	AI, machine learning, data analytics, cloud computing, cybersecurity, leadership, strategic thinking, etc.	INR155-175bn	INR540-620bn	NA	NA	Affordability & accessibility, rising demand for skilled professionals, demand for upskilling
	Students		INR65-85bn	INR200-225bn	NA	NA	

Source: Company, PL

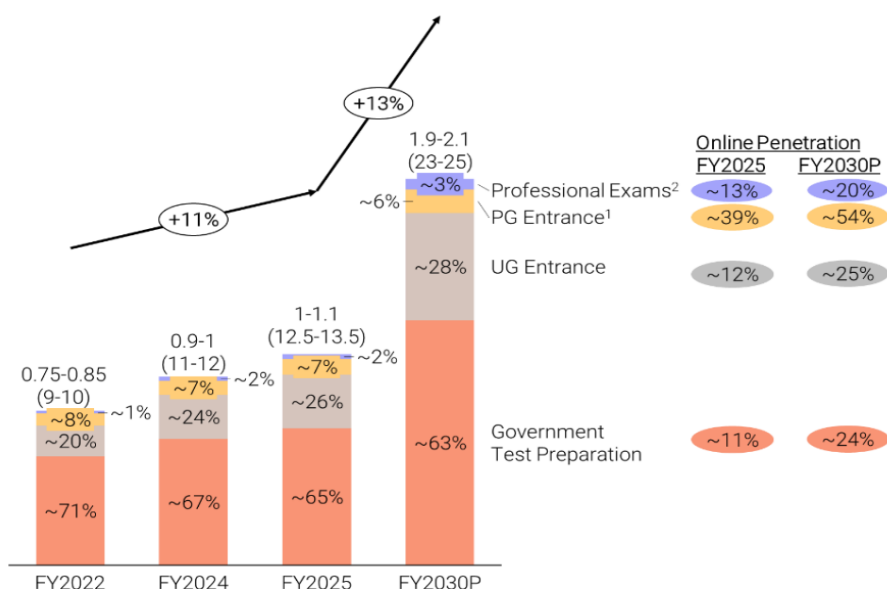
Test Preparation segment – Enabling career progression and upward mobility

Within the broader education ecosystem, the test preparation segment represents a large and rapidly growing category, estimated at INR1.0–1.1trn in FY25, and is projected to grow at ~13.0% CAGR to INR1.9–2.1trn by FY30E. Growth is expected to be driven by increasing competition for limited seats in premier institutions and government positions, making structured preparation critical for improving success rates.

India's test preparation market forms the backbone of the country's education services industry, catering to aspirants seeking admission to competitive academic programs (engineering, medicine, management, etc.) and coveted government positions (IAS, IPS, etc.). The number of students registering for such exams is expected to rise from 65–75mn in FY25 to 80–90mn by FY30E, supported by a strong socio-economic drive for upward mobility through education.

Government examinations is expected to remain the largest category within the test preparation ecosystem, accounting for ~63.0% of the market by FY30, while undergraduate entrance examinations such as JEE, NEET, CUET and defense, are projected to contribute ~28.0%, growing relatively faster at ~15.0% CAGR. Increasing smartphone penetration, affordable data access and regional-language content are expanding access to quality test preparation beyond traditional coaching hubs.

Exhibit 33: Segmentation of India's test preparation market by categories



Source: NTA, Redseer

Note: 1) Includes CAT, GRE, GMAT, GATE, NEET PG, etc.; 2) Includes CA, CFA, CS, etc.; 3) Conversion rate: US\$1 = INR83

The test preparation market for UG entrance exams was pegged at INR250–300bn (US\$3–3.5bn) in FY25 and is projected to grow at ~15% CAGR, reaching INR530–580bn (US\$6.5–7bn) by FY30E. NEET, JEE, CUET and NDA are a few categories of UG entrance exams.

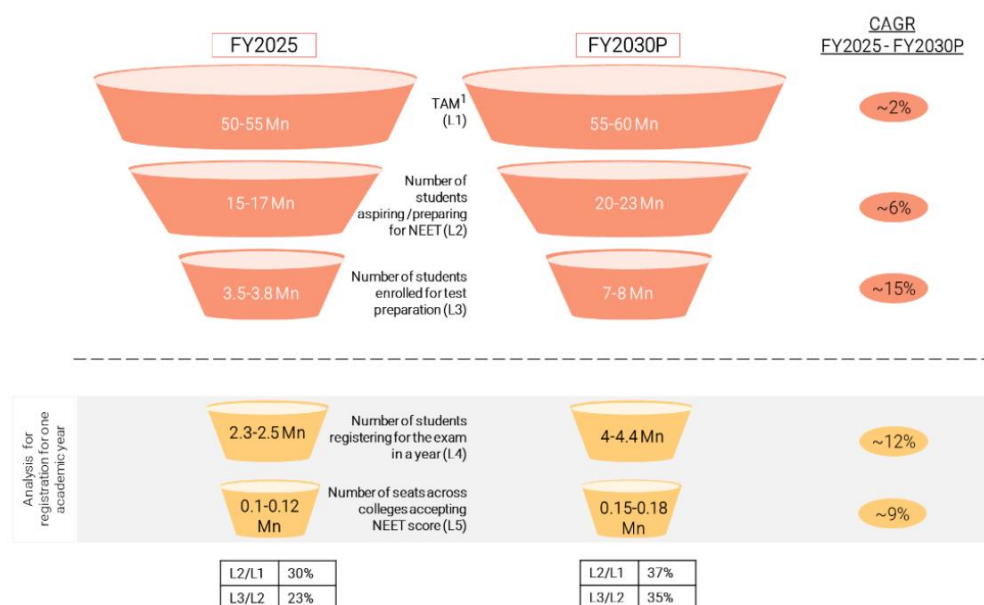
As of FY25, 6.5–7mn students registered for UG entrance exams, a number projected to grow to 9–11mn by FY30E. NEET and JEE UG together formed ~70% of the market in FY25, and the share is expected to increase to ~74.0% of the test preparation market by FY30E. JEE and NEET are among the most competitive exams in India.

Focus segment 1: NEET UG test preparation

NEET UG represents one of the largest and fastest-growing subcategories within the test preparation segment in India, serving as the sole gateway to undergraduate medical education (MBBS, BDS, AYUSH, and BVSc & AH) across public and private institutions.

The NEET UG test prep market stood at an estimated INR120–140bn (US\$1.5–1.6bn) in FY25 and is projected to grow at ~17% CAGR, reaching INR270–290bn (US\$3.3–3.5bn) by FY30E. In FY25, 2.3–2.5mn students registered for NEET and the figure is expected to rise to 4–4.4mn by FY30E.

Exhibit 34: India's NEET UG student conversion funnel



Source: UDISE+, NTA, Medical Council of India, Ministry of Health and Family Welfare, Redseer

Note: 1) NEET TAM includes all enrollments in Class 9 and 10, students enrolled in physics, chemistry and biology (PCB) in Class 11 and 12, dropout estimates up to 5th attempt for students who have passed Class 12 with PCB with more than 50% marks 2) Overlap between physics, chemistry and mathematics (PCM) and PCB streams has not been considered for this analysis

PWL IN started offering courses for NEET preparation in 2020 under the brand names Arjuna (2-year course for students in Class 11), Lakshya (1-year course for students in Class 12), and Yakeen (1-year course for NEET repeaters). Enrollments in the NEET category stood at 998,200 in FY26 forming 17.5% of the user base.

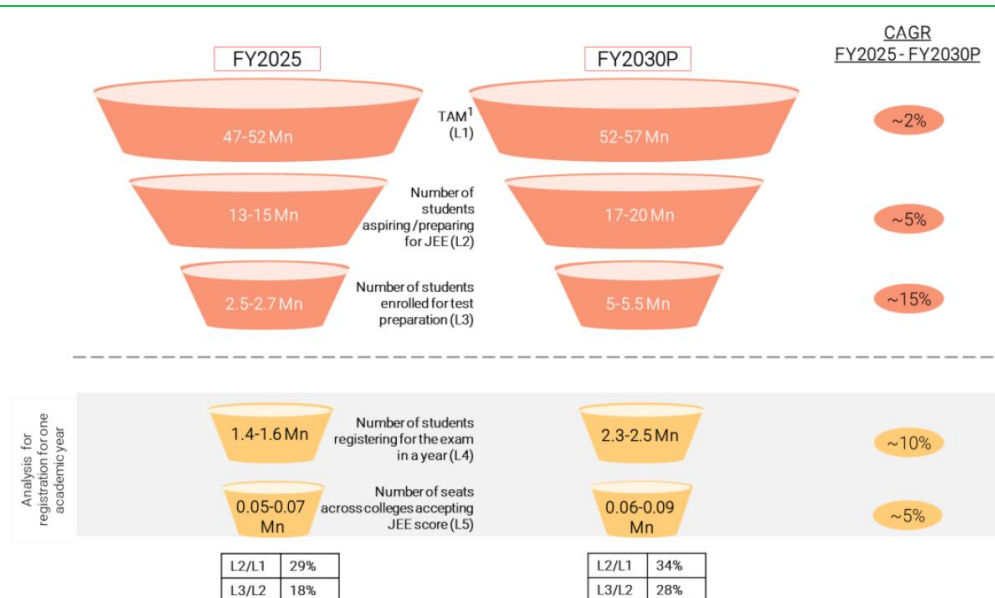
Focus segment 2: JEE UG preparation

JEE remains another foundational category within the test preparation market, serving as gateway to India's premier engineering institutions such as IITs and NITs. Like NEET, the category is characterized by a large aspirant pool competing for a limited number of seats, resulting in structurally high demand for coaching and supplementary learning.

The test preparation funnel is characterized by very high aspirant intensity, multi-year preparation cycles, and low conversion ratios into premier institutes. Students are increasingly starting their preparation early through foundation programs, leading to longer engagement cycles and increasing reliance on structured learning platforms offering testing frameworks, mentorship and performance analytics.

The JEE UG prep market stood at INR62–67bn (US\$0.75–0.8bn) in FY25 and is projected to grow at ~14% CAGR, reaching INR115–135bn (US\$1.4–1.5bn) by FY30E. In FY25, 1.4–1.6mn students registered for JEE and the figure is expected to rise to 2.3–2.5mn by FY30E.

Exhibit 35: India's JEE student conversion funnel



Source: UDISE+, NTA, JOSA, Redseer

Note: 1) JEE TAM includes all enrollments in Class 9 and 10, students enrolled in PCM in Std 11 and 12, dropout estimates for 2 consecutive attempts after passing Std 12 with 75%+ marks; 2) Overlap between PCM and PCB streams has not been considered for this analysis

PWL IN started offering JEE preparation courses from 2020 under the brand names Arjuna (2-year course for students in Class 11), Lakshya (1-year course for students in Class 12) and Prayas (1-year course for JEE repeaters). Enrollments in the JEE category stood at 646,400 in FY26, forming 11.3% of the user base.

CUET: Emerging gateway to India's undergraduate education ecosystem

CUET has emerged as a rapidly growing segment within the undergraduate entrance examination ecosystem, serving as a unified gateway for admissions into central and participating universities across India. The CUET preparation market is estimated at INR55–75bn in FY25 and is projected to grow at ~11% CAGR to INR100–125bn by FY30E, while registrations are expected to increase from 1.5–1.7mn to 2.0–2.2mn students.

Defense examinations: A niche but fast-growing category

Defense examinations such as NDA exam, CDS exam and AFCAT represent a relatively small but rapidly expanding segment within India's test preparation market. Defense test preparation market is estimated at INR15–20bn in FY25 and is expected to grow at ~16% CAGR to INR33–38bn by FY30E, with registrations projected to increase from 1.0–1.2mn to 1.9–2.1mn students.

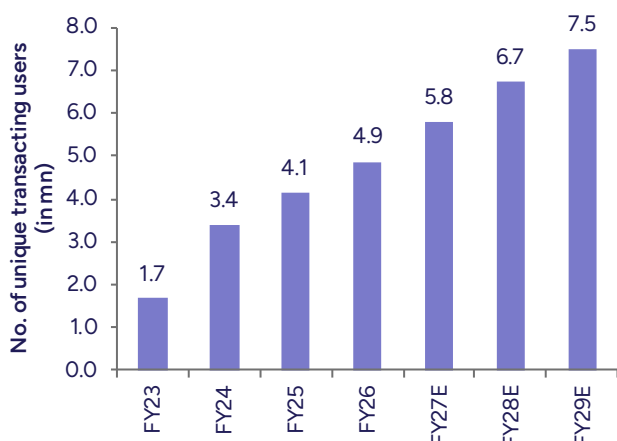
Financial Projections

Revenue to log 25% CAGR over FY26-29E

We expect revenue CAGR of 25% over FY26-29E led by:

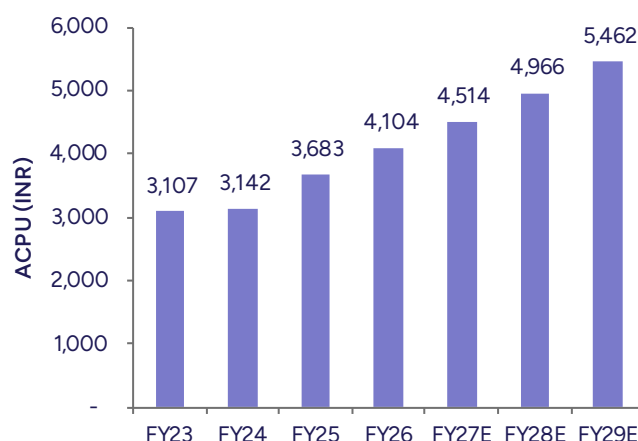
- Increase in unique transacting users/ACPU within the online business at 15%/10% CAGR over FY26-29E. We expect number of unique transacting users to increase from 4.87mn in FY26 to 7.49mn in FY29E as PWL IN is diversifying beyond test preparation into online K-12, early learning and upskilling categories. Online ACPU is expected to increase from INR4,104 in FY26 to INR5,462 in FY29E led by premiumization, higher contribution from VAS, and improved monetization per user.
- A healthy 23% CAGR in offline business led by 18%/6% CAGR in enrollments/ARPU over FY26-29E. We expect the number of offline centers to increase from 353 in FY26 to 443 in FY29E, leading to increase in offline student enrollments by 0.29mn. Offline ARPU is expected to increase from INR36,625 in FY26 to INR43,202 in FY29E led by steady growth in established categories like JEE and NEET.
- 24% CAGR in revenue from other operations comprising ad-revenue from YouTube channels and B2B sales.

Exhibit 36: Unique transacting user nos. to reach 7.5mn in FY29E



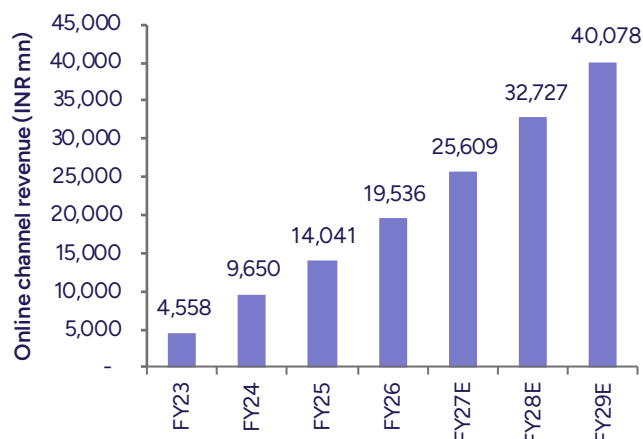
Source: Company, PL

Exhibit 37: ACPU to improve to INR5,462 at ~10% CAGR in FY26-29E



Source: Company, PL

Exhibit 38: Online channel revenue to log ~27% CAGR over FY26-29E



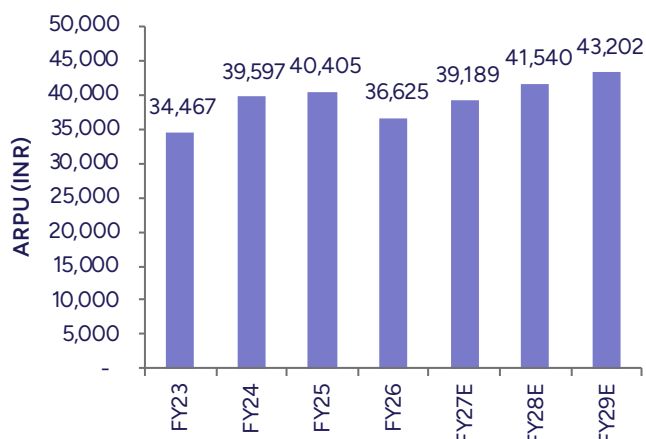
Source: Company, PL

Exhibit 39: Offline student enrollments to improve to 0.8mn by FY29E



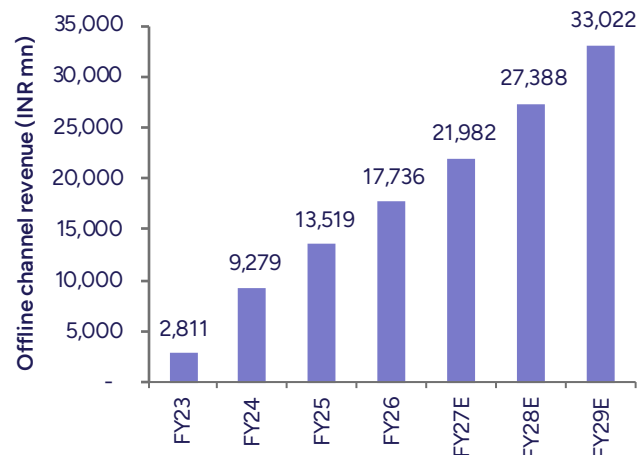
Source: Company, PL

Exhibit 40: ARPU to improve to INR43,202 at ~6% CAGR in FY26-29E



Source: Company, PL

Exhibit 41: Offline channel revenue to log ~23% CAGR over FY26-29E



Source: Company, PL

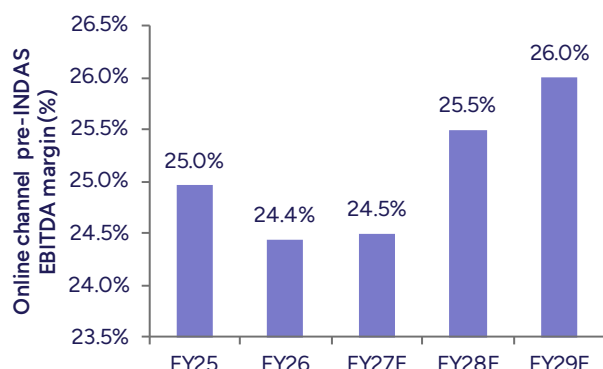
Pre-Ind AS EBITDA CAGR estimated at 68% over FY26-29E

We expect pre-Ind AS EBITDA CAGR of 68% over FY26-29E with 12.2%/15.8%/18.6% margin in FY27E/FY28E/FY29E led by:-

- **160bps improvement in pre-Ind AS EBITDA margin of the online business from 24.4% in FY26 to 26.0% in FY29E** driven by a) healthy growth in high margin mature categories like JEE, NEET, CA, MBA, Commerce, and Board + CUET; b) improvement in profitability for categories like GATE, Foundation, UPSC, Government exams, state PSCs and boards (already contributing positively to bottom line with room to improve as they scale); and c) improvement in profitability profile of new categories like NEET PG, Curious Jr, skills and vernacular that are currently in the investment phase
- **Improvement in profitability profile of the offline business.** From reporting a pre-Ind AS EBITDA loss of INR1,774mn odd in FY26, we expect the offline business to achieve break-even in FY27E with pre-Ind AS EBITDA margin of 9.0% in FY29E. Improvement in profitability profile of the offline business is likely to be driven by following factors:-
 - **Student-Teacher ratio:** PWL IN's offline centers increased from 126 in FY24 to 353 in FY26. Given the rapid expansion in test centers (student influx improves over a period as centers mature), the ratio of number of students per center fell from 1,825 in FY24 to 1,331 in FY26. However, as new expansion plan is measured in nature (30 centers each year over next 3 years) and as older centers mature with improving student influx, the student-teacher ratio is expected to improve driving profitability.
 - **Seat utilization:** Better batch planning and student allocation is expected to improve seat utilization (increase in the number of shifts). As of FY26, PWL had a seat utilization of 2x, which is expected to increase to 2.23x in upcoming years.
 - **Average faculty cost:** Apart from having senior faculty, PWL IN also hires and trains teachers through a captively designed faculty training program that is expected to improve payroll cost efficiency.
 - **Pricing:** Better course mix and longer duration programs are expected to drive offline ARPU and improve center level profitability.
 - **Academic to non-academic ratio:** Process automation and workflow optimization is likely to improve the academic to non-academic ratio and drive center level profitability.

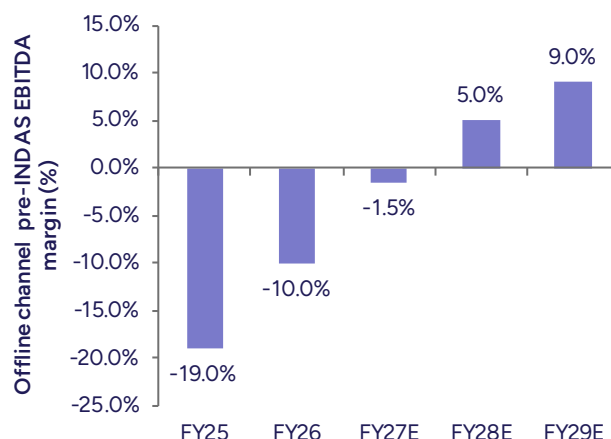
Basically, the economics of offline model is driven by center maturity. As PWL IN leverages large online user base to identify demand hotspots and then selects location with pre-validated student demand to open offline centers the path to profitability is faster. This is validated from the fact that centers opened in 2022, 2023 and 2024 were profitable at EBITDA level in FY26 while the ones that were opened in 2025 were operating at a single-digit negative EBITDA margin as they are in the ramp-up phase.

Exhibit 42: Online pre-Ind AS EBITDA margin to rise to ~26% by FY29E



Source: Company, PL Note: Approximate figures for FY25/FY26

Exhibit 43: Offline pre-Ind AS EBITDA margin to rise to ~9% by FY29E

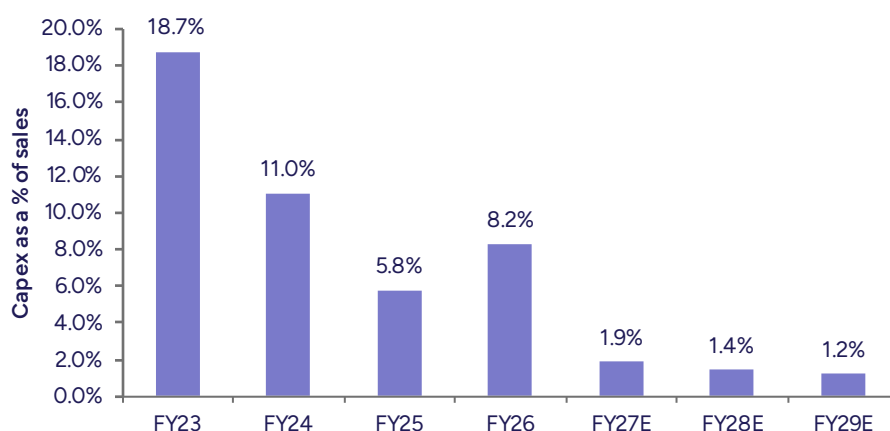


Source: Company, PL Note: Approximate figures for FY25/FY26

Asset light business with negative working capital

The online business is asset light in nature with minimal capex needs. With respect to offline centers, PWL IN has outlined a structured expansion plan, targeting addition of 25–30 new centers annually over the next 3–4 years. Average capex per center for PW Vidyapeeth/PW Pathshala/PW Others is ~INR25mn/~INR15mn/~INR15mn. Accordingly, we expect capex (including maintenance capex) of INR930mn/INR893mn/INR940mn in FY27E/FY28E/FY29E.

Exhibit 44: Capex as a % of sales to stabilize at 1.2% by FY29E

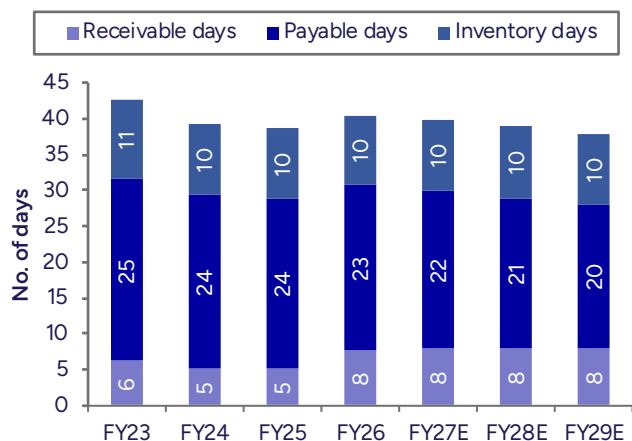


Source: Company, PL

Fees for academic cycle are paid in advance for the online business (low ticket size). For the offline business, fees are paid in instalments during the year. Consequently, receivable days are low. We expect receivable cycle to remain steady at 8 days over FY26–29E. Further, given information dissemination happens online, inventory days are also low. Nonetheless, PWL IN maintains some inventory pertaining to bags, books, water bottles, and paper as welcome kits are provided to students at the start of the academic year. We expect inventory cycle to

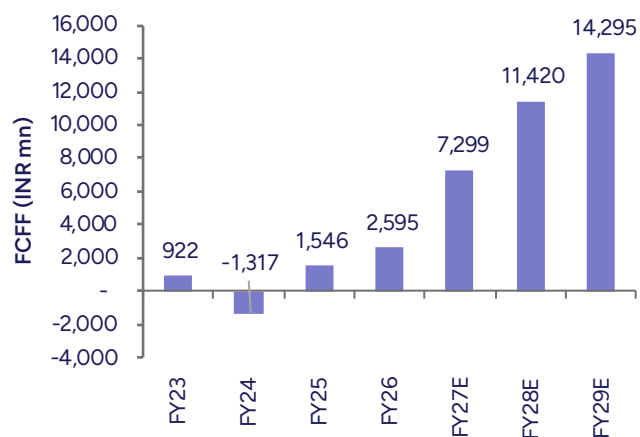
remain steady at 10 days over FY26-29E. Payables pertain to obligations pertaining to rent, book suppliers, and vendor payments for offline capex. We expect payable days to decline from 23 in FY26 to 20 on FY29E. Overall, the business is asset light with negative working capital generating healthy FCFF. We expect FCFF to increase from INR2,595mn in FY26 to INR14,295mn in FY29E.

Exhibit 45: Payable days to decrease to 20 by FY29E



Source: Company, PL

Exhibit 46: FCFF* to be at INR14,295mn in FY29E



Source: Company, PL Note: *Pre IND-AS FCFF

Valuation

PWL IN was listed recently in Nov'25, and hence past trading history is insufficient for benchmarking. Further, absence of comparable listed peers in India makes relative benchmarking a difficult task. Hence, we have benchmarked PWL IN to some global listed edtech players.

Exhibit 47: Relative valuation data set of select global edtech players

Particulars (US\$ mn)	Revenue			EBITDA			PAT			EV/EBITDA		
	CY25	CY28E	CAGR	CY25	CY28E	CAGR	CY25	CY28E	CAGR	CY26E	CY27E	CY28E
Duolingo	1,038	1,556	14.4%	306	437	12.6%	182	256	11.9%	16.8x	14.5x	12.3x
Coursera	758	1,574	27.6%	64	364	78.9%	67	251	55.5%	2.1x	1.4x	1.0x
Pearson	3,577	4,063	4.3%	780	940	6.4%	420	492	5.4%	11.4x	10.8x	10.3x
TAL Education Group*	3,009	4,960	18.1%	396	1,008	36.6%	574	832	13.2%	3.9x	3.4x	2.7x
New Oriental Education & Technology Group*	5,661	8,254	13.4%	979	1,323	10.6%	571	875	15.3%	4.3x	3.6x	3.3x

Source: Company, Bloomberg, PL *TAL Education Group's FY ends on 2/28/2026 #New Oriental Education & Technology Group's FY ends on 5/31/2026

Barring Duolingo and Pearson, most global peers are trading at single-digit EV/EBITDA valuation multiples. We believe global benchmarking also does not provide an apt comparison as operating landscape and growth prospects across markets are completely different. For instance, India has a huge demographic advantage that some of the matured markets lack. As of CY24, people under the age of 25 years accounted for 44% of India's total population. About 54% of this is of school going age of 5-18 years and 28% of college going age of 19-25 years. Thus, overall, TAM in India is quite high, resulting in valuation differential versus global peers.

Education is a non-discretionary spend and to that extent, has 'consumption orientation'. Further, given that PWL IN's mode of delivery is predominantly online (91.2% of users were online as of FY26), we believe consumer internet category serves as a good proxy for relative benchmarking.

Exhibit 48: Relative valuation data set of select consumer internet firms in India

Particulars (INR mn)	Revenue			EBITDA			EV/EBITDA (x)			P/E (x)		
	FY26	FY29E	FY27E	FY28E	FY29E	CAGR	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Eternal	5,43,640	20,74,000	56.3%	12,080	1,03,087	104.4%	96.6x	50.4x	30.5x	252.7x	101.3x	59.1x
Swiggy	2,30,530	4,52,299	25.2%	(32,350)	10,830	NA	NA	NA	43.4x	NA	NA	NA
FirstCry	85,479	1,26,596	14.0%	2,624	9,756	54.9%	19.3x	12.9x	9.4x	685.5x	43.3x	22.4x
Nykaa	1,00,224	1,99,499	25.8%	7,523	23,088	45.3%	79.7x	55.8x	40.5x	188.0x	111.4x	71.4x
Meesho	1,26,263	2,76,031	29.8%	(16,262)	13,376	NA	NA	521.9x	71.5x	NA	233.3x	65.2x
Physicswallah	38,995	76,402	25.1%	3,808	16,856	64.2%	46.4x	27.4x	18.2x	111.6x	56.0x	35.1x

Source: Company, Bloomberg, PL

We value PWL IN using the SoTP methodology. We value the online business at 35x Sep'28E EBITDA as the business is asset light, scalable, and margin lucrative with negative working capital. On the other hand, we value the offline business at 15x Sep'28E EBITDA as the business is challenging to scale and is capital intensive with inferior margin profile. Initiate with 'ACCUMULATE' and TP of INR141.

Exhibit 49: Valuation Table

Particulars (INR mn)	Methodology	Multiple	Pre-Ind AS EBITDA (Sep'28E)	EV (Sep'28E)
Online business	EV/EBITDA	35	8,696	3,04,345
Offline business	EV/EBITDA	15	1,483	22,249
Others	EV/Sales	1	3,020	3,020
Total				3,29,614
Less: Debt				105
Add: Cash				78,636
Equity value				4,08,146
No. of shares				2,900
TP (INR)				141

Source: PL Note: Pre-IND AS EBITDA is after adjusting for ESOP cost

Financials

Income Statement (INR mn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
Net Revenues	38,995	49,789	62,854	76,402
YoY gr. (%)	35.1	27.7	26.2	21.6
Cost of Goods Sold	7,645	9,438	11,623	13,838
Gross Profit	31,351	40,351	51,231	62,564
Margin (%)	80.4	81.0	81.5	81.9
Employee Cost	19,060	23,628	28,554	33,790
Other Expenses	8,483	9,560	10,937	11,919
EBITDA	3,808	7,163	11,741	16,856
YoY gr. (%)	102.4	88.1	63.9	43.6
Margin (%)	9.8	14.4	18.7	22.1
Depreciation and Amortization	4,374	4,521	4,901	5,000
EBIT	-566	2,643	6,841	11,856
Margin (%)	-1.5	5.3	10.9	15.5
Net Interest	1,127	1,078	1,168	1,275
Other Income	2,315	2,788	2,986	3,209
Profit Before Tax	97	4,353	8,658	13,790
Margin (%)	0.2	8.7	13.8	18.0
Total Tax	341	1,088	2,164	3,447
Effective Tax Rate (%)	352.9	25.0	25.0	25.0
Profit After Tax	-244	3,265	6,493	10,342
Minority Interest	-17	20	30	40
Share Profit from Associate	3	-	-	-
Adjusted PAT	409	3,245	6,463	10,302
YoY gr. (%)	NA	694.4	99.2	59.4
Margin (%)	1.0	6.5	10.3	13.5
Extra Ord. Income / (Exp)	-633.4	-	-	-
Reported PAT	-225	3,245	6,463	10,302
YoY gr. (%)	NA	NA	99.2	59.4
Margin (%)	NA	6.5	10.3	13.5
Other Comprehensive Income	33	32	32	32
Total Comprehensive Income	-192	3,277	6,495	10,334
Equity Shares O/s (mn)	2,860	2,900	2,900	2,900
EPS (INR)	0.1	1.1	2.2	3.6

Source: Company, PL

Balance Sheet (INR mn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
Non-Current Assets				
Gross Block	26,106	29,158	32,283	35,660
Tangibles	22,269	24,976	27,766	30,782
Intangibles	3,837	4,182	4,517	4,878
Acc: Dep / Amortization	10,542	15,062	19,963	24,963
Tangibles	8,541	12,476	16,744	21,109
Intangibles	2,001	2,587	3,219	3,853
Net Fixed Assets	15,564	14,096	12,320	10,697
Tangibles				
Intangibles				
Capital Work In Progress	80	130	156	183
Goodwill	2,736	2,736	2,736	2,736
Non-Current Investments	3,160	3,307	3,534	3,720
Net Deferred Tax Assets	882	794	715	643
Other Non-Current Assets	150	199	251	306
Current Assets				
Investments	22,297	22,297	22,297	22,297
Inventories	1,019	1,364	1,722	2,093
Trade Receivables	818	1,091	1,378	1,675
Cash & Bank Balance	11,262	18,743	30,754	46,055
Other Current Assets	855	1,046	1,257	1,452
Total Assets	76,768	83,788	95,118	1,09,867
Equity				
Equity Share Capital	2,860	2,900	2,900	2,900
Other Equity	42,344	45,609	52,102	62,445
Total Network	45,204	48,509	55,002	65,345
Non-Current Liabilities				
Long Term Borrowings	8,373	9,285	10,152	11,149
Provisions	425	448	566	573
Other Non Current Liabilities	578	597	691	764
Current Liabilities				
ST Debt / Current of LT Debt	2,148	2,141	2,331	2,550
Trade Payables	2,486	3,001	3,616	4,186
Other Current Liabilities	14,029	16,281	19,233	21,775
Total Equity & Liabilities	76,768	83,788	95,118	1,09,867

Source: Company, PL

Cash Flow (INR mn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
PBT	99	4,353	8,658	13,790
Add. Depreciation	4,374	4,521	4,901	5,000
Add. Interest	858	1,078	1,168	1,275
Less Financial Other Income	2,315	2,788	2,986	3,209
Add. Other	238	-	-	-
Op. Profit before WC Changes	5,568	9,951	14,727	20,065
Net Changes-WC	3,069	2,172	3,041	2,451
Direct Tax	-305	-996	-2,111	-3,403
Net Cash from Op. Activities	8,332	11,127	15,656	19,112
Capital Expenditures	-3,390	-930	-893	-940
Interest / Dividend Income	939	-	-	-
Others	-30,374	-2,513	-2,655	-2,826
Net Cash from Inv. Activities	-32,825	-3,444	-3,548	-3,766
Issue of Share Cap. / Premium	29,968	40	-	-
Debt Changes	102	-	-	-
Dividend Paid	-	-	-	-
Interest Paid	-	-1,078	-1,168	-1,275
Others	-2,519	835	1,071	1,229
Net Cash from Fin. Activities	27,551	-203	-98	-46
Net Change in Cash	3,058	7,481	12,011	15,301
Free Cash Flow	4,902	10,197	14,764	18,172

Source: Company, PL

Quarterly Financials (INR mn)

Y/e Mar	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Net Revenues	10,512	10,824	9,188	10,540
YoY gr. (%)	26.3	33.7	50.7	24.4
Raw Material Expenses	1,834	1,688	2,046	2,359
Gross Profit	8,679	9,136	7,142	8,181
Margin (%)	83	84	78	78
EBITDA	1,817	2,436	256	-126
YoY gr. (%)	29.0	29.9	NA	NA
Margin (%)	17.3	22.5	2.8	NA
Depreciation / Depletion	1,047	1,132	1,219	1,107
EBIT	771	1,304	-963	-1,232
Margin (%)	7.3	12.0	NA	NA
Net Interest	254	278	201	699
Other Income	472	645	648	1,089
Profit before Tax	989	1,435	-806	-842
Margin (%)	9.4	13.3	NA	NA
Total Tax	291	414	-114	40
Effective Tax Rate (%)	29.5	28.8	14.2	-4.7
Profit After Tax	697	1,021	-692	-882
Minority Interest	-26	18	58	-107
Share Profit from Associate	0	2	1	-1
Adjusted PAT	729	1,313	-491	-332
YoY gr. (%)	42.1	37.7	NA	NA
Margin (%)	6.9	12.1	NA	NA
Extra Ord. Income / (Exp)	6	307	258	444
Reported PAT	723	1,005	-749	-776
YoY gr. (%)	62.4	9.7	NA	NA
Margin (%)	6.9	9.3	NA	NA
Other Comprehensive Income	26	-24	15	-5
Total Comprehensive Income	750	982	-734	-781
Avg. Shares O/s (mn)	2,187	2,860	2,860	2,901
EPS (INR)	0.3	0.4	-0.3	-0.3

Source: Company, PL

Key Financial Metrics

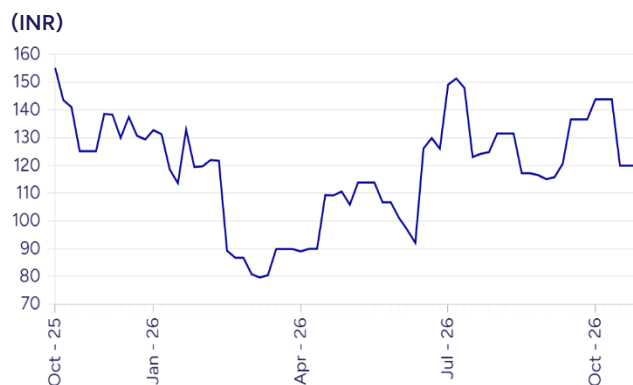
Y/e Mar	FY26	FY27E	FY28E	FY29E
Per Share (INR)				
EPS	0.1	1.1	2.2	3.6
CEPS	1.7	2.7	3.9	5.3
BVPS	15.8	16.7	19.0	22.5
FCF	1.7	3.5	5.1	6.3
DPS	-	-	-	-
Return Ratio (%)				
RoCE	-1.4	4.6	10.7	16.2
ROIC	5.0	8.5	12.3	15.3
RoE	1.4	6.9	12.5	17.1
Balance Sheet				
Net Debt : Equity (x)	-0.5	-0.6	-0.7	-0.8
Net Working Capital (Days)	-6	-4	-3	-2
Valuation (x)				
PER	874.0	111.6	56.0	35.1
P/B	7.9	7.5	6.6	5.5
P/CEPS	74.7	46.6	31.9	23.7
EV/EBITDA	87.7	46.4	27.4	18.2
EV/Sales	8.6	6.7	5.1	4.0
Dividend Yield (%)	-	-	-	-
FCFF Yield (%)	1.4	2.8	4.1	5.0
PEG Ratio	-2.7	0.2	0.6	0.6

Source: Company, PL

Notes

Notes

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
-----	------	--------	----------	-------------------

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Apeejay Surrendra Park Hotels	BUY	169	104
2	Chalet Hotels	BUY	1082	847
3	Delhivery	BUY	532	408
4	DOMS Industries	BUY	2783	2067
5	Flair Writing Industries	BUY	397	228
6	Imagicaaworld Entertainment	BUY	63	49
7	Indian Railway Catering and Tourism Corporation	BUY	662	454
8	InterGlobe Aviation	HOLD	5248	4990
9	Lemon Tree Hotels	BUY	155	113
10	Mahindra Logistics	BUY	584	370
11	Nazara Technologies	BUY	410	378
12	PVR Inox	BUY	1459	1344
13	Safari Industries (India)	BUY	1833	1307
14	Samhi Hotels	BUY	214	148
15	TCI Express	HOLD	567	501
16	V.I.P. Industries	SELL	266	281
17	Zee Entertainment Enterprises	BUY	113	70

PL's Recommendation Nomenclature (Absolute Performance)

BUY	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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